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The NATIONAL UNDERWRITER

61st Year, No. 41

Oct. 10, 1957

The National Weekly Newspaper of Fire and Casualty Insurance

CPCUs Elect Myers At Successful N. Y. Convention

**Conferment Luncheon, Forum
On Insurer Hiring, Training
Are Features Of Parley**

NEW YORK—Gerald E. Myers of W. A. Alexander & Co., Chicago, and a partner in the Prescott-Myers agency at Naperville, Ill., was elected president of Society of Chartered Property & Casualty Underwriters at its annual meeting here. Other officers elected are Bernard J. Daenzer, executive vice-president of Security-Connecticut, and Robert O. Young, manager of North America at Cleveland, vice-presidents; Alphonso Ragland, Dallas agent, secretary; R. Marnard Toelle, secretary of American Foreign Insurance Association, treasurer.

The new directors are Donald W. Ross, assistant secretary of Phoenix of Hartford; Joseph R. Grubb Jr., Philadelphia manager of Educators Mutual, and John B. Walker, assistant superintendent of America Fore, for the northeast; Baylor Landrum of the Vaughan agent at Louisville, for southeast; Leonard W. Larson, assistant secretary of the Kemper group at Chicago, north central; Fred A. Rhodes Jr., of the Julius Levi & Co. agency at Houston, Price M. McCulley, Shreveport, La., adjuster, and Donald C. Brain of the W. B. Johnson & Co. agency at Kansas City, Kan., south central; and Howard L. Martin, dean of the school of insurance at Golden State college, San Francisco, and Charles R. Rathbun, Los Angeles manager.

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Casualty Agents, Executives Meet In West Virginia

WHITE SULPHUR SPRINGS, W. VA.—National Assn. of Casualty & Surety Agents elected B. H. Paddock, Detroit, as president succeeding J. E. Cochran, Hagerstown, Md., at the annual meeting here. C. W. Olson, Chicago, is vice-president and Chase Ridgely, Baltimore, takes the newly combined office of secretary and treasurer.

The agents group voted to replace the former executive committee setup of five members and five alternates with a ten man committee. It consists of E. B. Berkeley, Cleveland; P. D. Bowen, Baltimore; Robert Bowen, Indianapolis; R. J. Noble, Wichita; E. P. Simon, Chicago; Jack Conklin, Hackensack; T. W. Earls, Cincinnati; H. F. Warner, Kansas City; W. M. Sheldon, Chicago, and Mr. Cochran.

R. Z. Alexander, president American of Newark, is the new president of National Assn. of Casualty & Surety Executives. B. H. Mercer, president Fidelity & Deposit, moved up to vice-president and W. C. Jansen, president Hartford Accident, is the new executive committee chairman. Other members of the executive committee are Nathan Mobley, Chubb & Son; M. E. Sprague, Home of New York; G. E. Mann, Aetna Casualty, and J. M. Crawford, Indemnity of North America.

Buffalo Appoints New S. F. Manager; Revises Ind., Cal. Field Force

Buffalo has promoted Robert W. Dinsmore to manager at San Francisco to succeed the late Ledger C. Grover. Mr. Dinsmore has been a special agent of the company in the San Francisco bay area. He entered insurance with Pacific Fire Rating Bureau in 1946. Previous to joining Buffalo he was a multiple line special agent of Loyalty group in San Francisco.

Buffalo has transferred State Agent Charles W. Troeger from the southeastern territory to Indianapolis where he will be multiple line state agent in Indiana. State Agent Charles K. Allen, formerly in charge of northern Indiana and Michigan, will now only travel the Michigan field. The company also has appointed Fernand Kleinman multiple line special agent and supervisor of inland marine underwriting in the Pacific coast department at Los Angeles. In the business since 1946, he was formerly a marine supervisor of Continental-National and a marine special agent of Pearl.

AFIA Opens Guam Office

American Foreign Insurance Association has expanded its operations in Guam with the opening of an office in Agaña.

Representing AFIA there are Pacific Insurance Associates, acting for Great American and Great American Indemnity, and Marianas Finance Corp. for Hartford Fire and Hartford Accident.

The new office will be managed by Inspector Henry W. Tierney under the direction of Victor H. Bello, supervisor in Manila, P. I.

Two Former Texas Commissioners Are Indicted For Perjury

The Dallas county grand jury has returned an indictment against Ben-Jack Cage, former president of ICT, on charges of bribing two former chairmen of the Texas board of insurance commissioners. Perjury indictments were returned against J. Byron Saunders and Garland A. Smith, the former commission chairmen, and Max W. Rychlik, Mr. Smith's son-in-law.

Concurrently it was announced by President Theo. P. Beasley of Republic National Life that the resignation of Mr. Saunders as vice-president and general counsel had been accepted, effective immediately. Mr. Saunders had joined Republic National Jan. 1 after resigning as commissioner.

Mr. Saunders faces two counts of perjury. One alleges that he swore falsely about an oil royalty deed for which, he said, Mr. Cage paid him \$7,000 through ICT Discount Corp., the royalty interest being the sole consideration for the payment. The second indictment alleges that Mr. Saunders failed to tell the truth about three \$300 checks for "legal services" which he received from Atlas Alarm Corp. and Triangle Research & Advertising Co., affiliates of ICT.

The indictment against Mr. Smith alleges that he perjured himself at a house committee hearing last March when he said "he didn't think he had been any friendlier or shown any more consideration to ICT" because of payments made by Mr. Cage to his son-in-law or because of gifts he received. Mr. Rychlik was indicted for failing to tell of an additional \$9,800 he had received from the Cage enterprises.

One of the indictments against Mr. Cage charges him with bribing Mr. Saunders in order to obtain favorable treatment of ICT affairs by the Texas department. The second accuses him of bribing Mr. Smith through payments to Mr. Rychlik in order to obtain a charter for Guardian Life of South Dakota.

The downfall of the Cage empire, the cornerstone of which was ICT, an insurer financed by selling stock to labor union members, has been a spectacular one in the worst tradition of recent Texas insurance debacles.

Mr. Cage disappeared to South America when things got hot and legislative inquiries were undertaken by both the Texas house and senate and several county grand juries. The newspapers were full of the event which had ramifications into the veterans land office and elsewhere.

The Cage promotion had its extensions into Kentucky, for example, where some revenue bonds of the city of West Buechel were involved, being sold to Mr. Cage on the easy payment plan and later finding their way into the asset column of one or two other companies. As ICT neared its demise, it curtailed operations in all states but Texas. At one time it had as an operating theory the setting up of agencies to which union members would be

(CONTINUED ON PAGE 36)

Harper Calls For Realistic Thought, Action From All

**Companies, Agents Have
Failed To Appraise
Inflation, Competition**

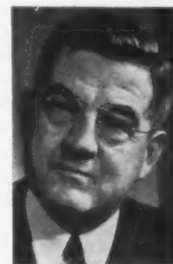
WHITE SULPHUR SPRINGS, W. VA.—W. T. Harper, Baltimore, president of Maryland Casualty and also president of National Assn. of Casualty & Surety Executives, spared no segment of the insurance business in a devastating appraisal of current conditions at the opening joint session of his organization and National Assn. of Casualty & Surety Agents here Monday. Among other things, he blamed company leadership for failing to foresee the inflation cycle and meet it realistically and he blamed agents for abandoning personal salesmanship at a time when their competitors are making a stupendous effort along these lines.

Although Mr. Harper did not single out commissions for special treatment in pointing out that insurance is the only business in the entire history of the U.S. which has failed to reduce its costs of production and distribution as the volume of business has risen, he did say that everyone knows there are situations where agency commissions have risen "out of all proportion to service performed." In some localities experience has forced rates for certain lines up to an extremely high level, resulting in a great increase in the agent's commission "with little additional effort or expense on his part."

All of this inevitably diverts business to competitors. Although insisting that he believes in advertising, Mr. Harper said that too many people think agents and companies can "advertise our way out of our competitive difficulties." Pointing to the gain of one competing company over 10 years, he said it would be "naive" to believe that this was due to public ignorance of advantages of doing business with local independent agents representing stock companies. "Captive agents of our competitors," Mr. Harper said, "are simply spending carfare money on personal calls to convince individual prospects of the immediate benefits of saving \$20." The fight can be won only "on Main street, and not in the Saturday Evening Post."

Reviewing automobile insurance history, Mr. Harper said that up to about 1940 agents and companies worked hard to sell automobile liability insurance, with very limited success. Then, due largely to legislation, a high percentage of the public began to buy this cover-

(CONTINUED ON PAGE 38)



W. T. Harper

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Studies Show Insurers Behind In Manpower Race, Notably Managerial

By KENNETH O. FORCE

NEW YORK—What fire and casualty insurers do in the way of recruiting, training, and the development of executive management was discussed by members of the New York CPCU chapter at a forum during the annual meeting here of Society of Chartered Property & Casualty Underwriters. Representatives of the New York chapter had conducted considerable research into the subject, and a large crowd attended the presentation of the material.

The forum was in the nature of an experiment, since it was open to members of the press and others not CPCUs. Previously, sessions have been exclusively for members.

In general, the study by the CPCUs shows that fire and casualty insurers compare favorably with other businesses and industries in recruiting and training, but that they are not doing nearly so much to develop executive management.

The subject of recruiting was discussed by Charles W. Pachner, vice-president of Frenkel Co., New York brokerage firm; training by George J. Guess Jr., of the New York brokerage firm of Griswold & Co.; and the development of executive management by R. Maynard Toelle, secretary of American Foreign Insurance Association. John B. Walker, assistant superintendent of America Fore, acted as moderator.

Mr. Walker pointed out that the re-

search done by the New York chapter consisted of questionnaires to fire and casualty insurers, life insurance companies, banks, telephone companies, college placement bureaus, etc. There was an excellent return. In addition, the literature on these three subjects was studied, and personal interviews with insurance company executives, personnel directors, and others were conducted.

The recruiting of manpower by fire and casualty insurers is an interesting subject, Mr. Pachner said. It is also an urgent one because it is by this method that the business is nourished with new blood. There is practically no literature on recruiting by property and casualty companies, he said. The business has not given the attention to the subject that many feel it deserves. Life companies have done so, but not fire and casualty.

There are several methods of recruiting, through employment agencies, by way of professional talent hunters, advertising, word of mouth, high schools and colleges.

There is a real shortage today in the supply of college graduates to meet the demands of business and industry for them, Mr. Pachner pointed out. The competition is almost unbelievable. In fact, it is so bad, he said, that some of the colleges have laid down ground rules in order to eliminate or reduce unethical tactics by business and industry in recruiting efforts. These include such things as paying a

student duplicate expenses when he visits three or four plants in the same area.

Why is there a shortage of college graduates? Mr. Pachner cited the low birth rate of the 1930s, the attrition in young manpower during World War II, military training since then, the high birth rate which reduces woman power, expanding business and industry, and especially the new opportunities that have opened up in the atomic and electronic age in science. It is quite definitely a seller's market.

Is it then worthwhile for fire and casualty insurers to go after college graduates? It has even been suggested by one insurer that it intended to let the other companies knock themselves out acquiring college graduates and training them, and after a year or two making them an offer that will be attractive.

Are college graduates worthwhile? Mr. Pachner pointed out that employers of college graduates feel that they have demonstrated their desire to do better than the average, they have shown initiative and ability, they have been trained. The college graduate today is regarded as the equivalent of the high school graduate of a few years ago.

What are the objections to the college graduate in the fire and casualty business? Mr. Pachner cited several. He doesn't mix well with other employees because he feels he is above them. His presence in the organization increases personnel frictions. He presents management with salary problems, etc.

However, Mr. Pachner said these difficulties can be overcome by proper orientation and in other ways. Certainly it is a problem that has to be overcome. College graduates are criticized because they want to be president in three months. But the answer to this is, he said, that college graduates actually do not object to slow promotions—at least they accept them—if they feel they are being watched and treated fairly. The evidence is that the turnover is lower among college graduates than non-graduates, perhaps because they think out their decisions more carefully before making their moves in the first place.

There is a growing belief among fire and casualty insurers that they

must go to college and universities to get the manpower they need.

How is the fire and casualty insurer to get college graduates? The mechanics of recruiting, Mr. Pachner said, are amazing. A great deal of money, planning, and effort are spent by companies of all kinds in the recruiting of college graduates. General Electric, which recruits many college graduates for non-scientific jobs each year, estimates that success in recruiting depends 20% on preconditioning—making student want an interview with General Electric. Here the fire and casualty business has done little to sell those on the campus that the business does have attractions. Another 40% of the success of recruiting is in the interview and the remaining 40% lies in following up properly.

Successful recruiters lay plans well ahead of time, perhaps a year. Fresh literature is brought out each year. Faculty dinners are arranged, there are recruiting visits with members of the faculty, department heads, and others. General Electric has developed summer scholarships for members of the faculty. It pays certain college laboratory fees, etc.

The fire and casualty companies who do recruiting of college graduates have a good program. One insurance group has 50 jobs a year it fills with college graduates. The job of recruiting is a direct responsibility of the personnel manager, which is considered good procedure. He has cemented his relationships with placement directors.

This group has found the flow of college graduates pretty consistent from certain colleges, whereas with some colleges it has no luck at all. Consequently, as time goes on, the recruiter does more work with those colleges where he gets results and eliminates colleges where he does not.

However, fire and casualty insurers are on the low side in college recruitment because they hire fewer and recruit at fewer colleges than companies representative of other fields.

Of the fire and casualty companies that answered the questionnaires, 51% do college recruiting. The other half of those who answered do not bother, and apparently are not interested in college graduates. However, 75% of the life companies do college recruiting and 90% of the banks.

Mr. Pachner observed that the fire and casualty business probably needs college graduates worse than other businesses because the business does

(CONTINUED ON PAGE 30)

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Indict Saperstein, Union Welfare Fund Broker, As Embezzler

NEWARK—Louis B. Saperstein, former insurance broker involved in union welfare fund insurance, has been indicted on charges of embezzling \$625,000 in welfare funds from the Laundry Workers International Union.

Mr. Saperstein some months ago testified before a New York grand jury but refused to answer certain questions and last May lost an appeal from a contempt of court conviction for his refusal.

Indicted with Mr. Saperstein on four of the six indictments was Eugene C. James, former 7th vice-president and secretary-treasurer of the union. Both men, along with several others, were previously sued for close to \$2 million they had allegedly withheld from the union's welfare fund.

Boston Group Advances Woodside And Crosby; Appoints Special Agent

Boston and Old Colony have appointed William C. Woodside fire underwriting manager in the home office, Lawrence G. Crosby Jr. assistant fire manager in the New England regional office, and Thomas H. Lynch special agent in southeast Massachusetts.

Mr. Woodside has been in charge of the Boston metropolitan fire underwriting department in the New England regional office. He joined Boston in 1936. He advanced to senior examiner in 1948 and was appointed assistant fire manager last year.

Mr. Crosby joined the companies in 1925 and transferred into the metropolitan fire underwriting division in 1928. He was named special agent in southeast Massachusetts in 1947.

Mr. Lynch joined the group in 1953.

Louisville Agents Lose Battle On Showing Municipal Taxes

LOUISVILLE—Kentucky court of appeals has overruled Franklin county circuit court and upheld Commissioner Cad P. Thurman's order to make municipal taxes a separate item from the premium of an insurance policy. Louisville Board of Insurance Agents had contested the order, taken it to court and obtained an injunction holding that any instructions of any company, group of companies, rating bureau, or any interpretations or bulletins or instructions, filings or any other matter in connection with Mr. Thurman's order should be declared null and void.

Mr. Thurman had contended that municipal taxes, some of which run as much as 20% of the premium in some Kentucky cities, are not in reality a part of the premium and should be shown separately on insurance invoices.

After the commissioner issued an order that municipal taxes be shown separately, Kentucky Inspection Bureau put out rulings that the companies under its jurisdiction and agents for such companies must show the premium and the taxes separately.

The Louisville agents took this matter to court and won a preliminary skirmish after which the commissioner withdrew his ruling, but the inspection bureau notified all companies and agents that its order would stand. In turn, the circuit court enjoined the companies and agents, along with the commissioner and inspection bureau, from carrying out the order.

The commissioner took this to the court of appeals and won his decision Oct. 3. The appeals court said the circuit court injunction order of Sept. 9 was made "without a proper motion and without presentation by respondents of any evidence by affidavit or otherwise," and that "the circuit court summarily set aside the final order of dismissal and entered the temporary injunction here complained of; that the injunction order is not sufficiently specific in its terms; that it is premature; and that no just cause for its issuance is shown by the record."

One of the effects of the opposition of the Louisville agents to Mr. Thurman's order has been to confuse the filing of new automobile rates. The department approved increases for the National Bureau and Mutual Bureau Sept. 25, but an effective date has not been announced because the question arose as to whether the companies would have to absorb the municipal taxes if they were not shown separately. It is understood that many companies have been absorbing these taxes, but there has been a recent opinion of the attorney-general that they should not do so, that such taxes should be regarded as a cost of doing business, and should be part of the loading as should the cost of figuring the taxes. In Louisville the rate is \$2.50 of tax for each \$100 of premiums. If this is figured as part of the cost it would increase the premium rate to that extent. The Louisville agents, in effect, were demanding that the companies absorb the taxes. Commissioner Thurman wanted the tax shown separately and paid by the insured.

Buy's Affiliate's Business

Pan American Fire & Casualty has purchased the business of Pan Amer-

ican from the George E. Fears & Co. general agency of Oklahoma City. Pan American F&C will enlarge its operations in Oklahoma, and George E. Fears & Co. will continue to represent Pan American through its local agency.

Pan American has set up a branch office at Oklahoma City with Robert Jones as manager of underwriting. John Wheatley continues as Oklahoma claim manager.

Marine Changes For Fund

Eugene A. Wyles has been appointed marine underwriter at Baltimore for Fireman's Fund. He has been in Boston and is succeeded as marine underwriter there by Dwight H. Babcock.

At Syracuse, John G. Green has been appointed marine special agent.

Takes Full Time Insurance Job

JEFFERSON CITY—A. D. Sappington, a member of Missouri highway commission and vice-president and general counsel of MFA Mutual and general counsel of Missouri Farmers Assn., has been promoted to full time vice-president and general counsel for MFA Mutual. His duties with the association will be taken over by William W. Beckett.

Family Auto Policy PHD Cover Cut And Clarified

National Automobile Underwriters Assn. has cut the driver other car physical damage coverage in the family automobile policy and cleared up the disputed point of subrogation against garages and other firms storing automobiles. This is accomplished by a new endorsement which is now optional with companies and will be mandatory as of Jan. 1.

The new endorsement makes the physical damage cover on non-owned automobiles apply only to private passenger automobiles or trailers not owned by or furnished for regular use to the named insured, spouse and relatives living with them. The original family policy, which became effective in September, 1956, covered these automobiles even if furnished for the named insured's or spouse's regular use, but did not cover relatives as to

automobiles furnished them regularly. The change puts the named insured and relatives on the same footing. The original coverage had been criticized by many underwriters as too liberal, particularly with collision insurance. Many firms owning a number of automobiles regularly driven by employees have never carried collision insurance on them. Hence, if an employee who regularly drove a private passenger automobile owned by his employer carried family automobile coverage on his own automobile, the insurance company, in effect, was providing primary collision insurance on the employer's automobile for no additional premium. The new endorsement accomplishes the change by revising the definition of "non-owned automobile."

The argument about subrogation rights against garages which might be responsible for damage to an insured automobile arose out of the statement in the definition of "insured" that the term includes "any person or organization maintaining, using or having custody of said automobile with permission of the named insured." This

(CONTINUED ON PAGE 39)



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Ask IRS Tax Rule On Guaranteed Renewal A&S Reserves As Life

WASHINGTON—American Life Convention and Life Insurance Assn. of America have asked Internal Revenue Service to rule that reserves on guaranteed renewable A&S policies under which the company reserves the right to change the premiums on a class basis be considered "life insurance reserves" for federal tax purposes.

The reserves on guaranteed renewable A&S policies with the right to change the table of premiums are in all respects similar to the reserves for life policies as well as those for guaranteed renewable policies with fixed premiums, and should be taxed accordingly, ALC and LIA said.

Guaranteed renewable contracts have been issued in increasing quantity in recent years because of a growing consciousness by government and insurance people of the need to ex-

tend A&S coverage and to improve and expand benefits, particularly for people at older ages, on a level premium basis. Many companies have concluded that the most equitable solution would be to guarantee renewal and adopt a level premium approach but with a right to change premium on a class rather than an individual basis. There is obvious safety and equity to policyholders in a policy with premium capable of change by class. These policies have met with popular acceptance and are being sold in increasing volume.

Such policies are on a premium basis similar to life insurance. They are long-term obligations. Their rates anticipate a normal increase in morbidity and the maintenance of reserves which are required as a consequence. The company retains the right to adjust premiums, not to offset the normal and expected increased risk with advancing age, but solely as a protection against unpredictable factors which might affect costs. Hence, reserves and interest to maintain them are required in connection with such contracts, as in the case of life insurance. Such reserves are required by

state authorities.

The association pointed out that these policies thus meet each of the four tests of the internal revenue code regarding life insurance reserves, but that IRS had imposed a further test not contained in the code regarding the payment of premiums.

Discussing the earlier IRS ruling that guaranteed renewable policies with the right to change premiums on a class basis do not carry a specified premium and thus should not qualify for life insurance reserve tax treatment, ALC and LIA stated that, in the acts of 1924 and 1955, Congress intended the question of tax treatment to turn on whether or not the insurance requires reserves, and not the nature of the premium.

There are several additional reasons why the term specified premium should not be interpreted to exclude the reserves on the policies under consideration from the statutory definition of life insurance reserves, ALC and LIA said. First, these policies had not been developed at the time the 1942 act and the regulations were written. Consequently, neither Congress nor Internal Revenue Service could have had this type of insurance in mind.

Second, the life insurance company tax act for 1955 reinforces the conclusion that the reserves on these policies should be considered as life insurance reserves for income tax purposes. This act separates life insurance taxable income from non-life insurance taxable income and bases both determinations on a distinction between life insurance reserves and non-life insurance reserves. Neither the act nor the Congressional reports relating to it contain any reference to specified premium. It is thus clear that Congress intended to rest the entire determination on the reserve factor, the associations said.

Surety Underwriters Hear A. A. Zimmerman In Cal.

Surety Underwriters Assn. of Southern California at its October meeting heard A. A. Zimmerman, retired vice-president of American Surety, review the association's early history.

Schuldt In Western Claim Post Of National Union

William J. Schuldt has joined National Union at Chicago as regional claims manager for the western department states. He has been with Fireman's Fund.

Montana Agents Elect LaBar, Ask Redraft Of Insurance Regulations

Montana Assn. of Insurance Agents at its annual convention in Missoula elected A. L. LaBar, Billings, president to succeed William F. Olsen, Choteau. E. W. Thomas, Missoula, was elected vice-president and James E. Driscoll, Butte, was selected secretary-treasurer. Mr. Thomas also received the association's membership trophy for having secured the most new members during the year.

A resolution asking drastic changes in the state's insurance regulatory laws received unanimous approval of the agents. Provisions of the resolutions request redrafting and recodification of Montana insurance law; standards of entrance requirements for insurers to reasonably guarantee their financial soundness; ethical standards of sales, claim and rating practices; standards of agency qualification, and necessary legal and physical facilities for the Montana department so that it can effectively administer the new law. The association commended the legislature for its efforts in the past and vowed its intention to seek such recodification at the next meeting of the legislature.

Robert E. Battles of Los Angeles, immediate past president of the national association, reviewed NAIA activities and H. F. Perlet, general manager of Multi-Peril Insurance Conference, spoke on package policies to open the formal convention program, Sept. 27. A business meeting, election and reports of committees occupied the afternoon session.

On the following morning, a panel discussion of homeowners and comprehensive dwelling policies was presented. Panel members were Jack Walthe, Royal-Globe group; Robert F. Bell, Hartford Fire, and L. A. Panger, St. Paul F&M. Gerald V. Ball, assistant manager of Pacific Board, was moderator.

Concluding the two-day program, Robert M. Hoenisch, Royal-Globe group, discussed "How to Produce Fidelity and Surety Bonds" and John W. Park, General Adjustment Bureau, analyzed the relationships between the agent and the adjuster, after a short talk by David Thomas of Montana Fire Rating Bureau. The final event was a report on the state's insurance laws by Commissioner Holmes.

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FIRE • CASUALTY • TREATY • FACULTATIVE

REINSURANCE Agency Inc.

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Cal. Agents Plan Golden Anniversary Convention Oct. 19-23

California Assn. of Insurance Agents will hold its 50th annual convention at Hotel del Coronado in Coronado Oct. 19-23. Early in October more than 800 advance registrations had been made; registration will continue during the first two days of the convention Oct. 19-20.

Louie E. Woodbury Jr., Wilmington, N. C., the president of the national association, will open the formal convention program on the morning of Oct. 21, after welcoming remarks by Commissioner McConnell. In the afternoon, a discussion of "Trends in Rate and Form in Fire and Allied Lines Markets" will be held and Herbert H. Kirschner, San Francisco advertising man, will speak on "Golden Age of Independent Agents Advertising." A special driver-training film to be presented by Robert C. Bruce, Sullivan-Bruce Productions Inc. of Glendale, will close the day's schedule.

The association's annual business meeting will be held on the morning of Oct. 22, with a luncheon for members of Blue Goose scheduled for that noon. No events have yet been announced for the afternoon.

James C. Smith, Travelers Indemnity, will review contract bonds and Percy Lynch, Industrial Indemnity, and Harry R. Schroeter of Oakland will discuss cost reduction during the morning of Oct. 23. In the final afternoon session, Warren A. King, merchandising manager of Life magazine, will show a film and talk on "Opportunities Unlimited in the Insurance Industry." The association's golden anniversary banquet will conclude the convention program.

Credit Insurance Rules Are Adopted In N.C.

Commissioner Gold of North Carolina has adopted regulations covering credit insurance written in connection with installment sales. They will require the agent to furnish insured with a "statement of coverages" form and itemizing the premium charges.

The regulations are effective Sept. 26. However, Mr. Gold has given the companies involved in writing the coverages until Dec. 1 to furnish agents with a "statement of coverages" form which must be first approved by his department.

Mr. Gold also approved a regulation providing that a lien holder may require insurance against the loss of personal property pledged as security against indebtedness, but has no right to compel the purchaser to buy any other line, other than in small loans. Life and A&S may be sold on a voluntary basis, however. All charts which include insurance premiums shall separate premium charges and no package deals may be required of the borrower, he said.

National Fire Appoints Lightowler At Chicago

National Fire has appointed Frank Lightowler assistant controller at Chicago. He has been chief accountant for another company since 1947 and was senior auditor with Joseph Froggatt & Co. prior to that.

Kemper Agency Changes

George W. Peterson, president of James S. Kemper & Co. agency of Philadelphia, has been named president of James S. Kemper & Co. agency of Chicago. Joseph E. Magnus, who has been chairman and president of

the Chicago agency, becomes chairman.

Mr. Peterson has been in insurance since 1919, going with the Kemper agency at Philadelphia in 1934. He was in the field with the Kemper group for a time, and in 1947 became manager of the Kemper Co. office at Philadelphia. He was elected president in 1951.

Mr. Magnus became an officer of James S. Kemper & Co. of Chicago after field work. He is also an officer of American Manufacturers Mutual, American Motorists and Lumbermen Mutual Casualty.

Prepare For WUA Annual Oct. 21-23

Western Underwriters Assn. at its annual meeting at White Sulphur Springs, W. Va., Oct. 21-23 will concentrate on analyzing insurance conditions on its 18-state territory through the medium of discussion groups.

The governing committee of WUA will meet Oct. 19 before the general sessions get under way. The popular discussion group procedure calls this year for six groups to take up problems in the states in units of three. These discussion groups will make report to the full meeting Oct. 23.

Western Actuarial Bureau will hold its annual meeting in conjunction with WUA gathering, and there will be regular meetings of Oil Insurance Assn. and Underwriters Grain Assn.

The reports of the governing committee and the public relations committee will be mailed to members prior to the annual meeting, and at White Sulphur the chairman of these committees will review the highlights.

Pacific Board Seeks To Promote Adequate Contents Insurance

Adequate contents fire insurance is the subject of the latest in the current series of bulletins being mailed to producers on the Pacific coast by the Pacific Board. The bulletin gives

Adequate UNDERINSURANCE
Dwelling Coverage is **HITS CONTENTS,**
only the first step... **TOO!**

- Insurance to Value starts with coverage on dwellings. This is an important step—but it is only the first step in wiping out underinsurance. Equally vital is adequate coverage on contents.
- Don't overlook these facts in your sales campaign against underinsurance...
- Replacement cost on contents has risen sharply since 1940. And most homeowners add many new items to their homes every year. Thus, if a home has increased its coverage recently, it probably has a "package" contract, but is likely very much underinsured.
- How much contents coverage is "adequate"? This formula, based on national statistics, is an excellent guide to minimum contents...

FULL DWELLING VALUE x 40% = ADEQUATE CONTENTS PROTECTION

* Applied to Western households, the 40% formula yields the average home's contents coverage should be desired. In terms of premiums, this could mean as few as \$100 annual increase in California alone—if adequate contents were sold.

* Start now, while your Insurance to Value drive is under way, to review clients' contents coverage. Use the 40% formula as a quick and effective sales point. Sell package contracts where possible—(Homeowners policies include the ratio. On others, let the formula be your guide.)



BOARD OF FIRE UNDERWRITERS OF THE PACIFIC
170 California Street • San Francisco 4

an "adequate contents" formula as well as a chart outlining the rising replacement costs. The formula says adequate protection on contents is full dwelling value plus 40%.

The producers are urged to review contents coverage as part of their insurance to value drive. By selling package contracts where possible and using the 40% formula on others, much can be done to eliminate contents underinsurance, the board says.

John C. Weghorn agency of New York City has advanced Gerry F. Johnston to head the metropolitan and suburban fire department. He succeeds the late Emanuel Bochner. The agency also has added an engineering and appraisal service.

Aetna Fire Appoints Doty Successor To Holt In Publicity

William H. Doty has been appointed manager of the publicity department of Aetna Fire group succeeding Assistant Secretary F. Sidney Holt, who is retiring after 29 years in the position.

Mr. Doty joined Aetna Fire in 1953 as supervisor of the publicity department. For four years previously he had

been advertising and sales promotion manager of the *Spectator*.

Mr. Holt entered the insurance publicity field in 1923 and joined Aetna Fire as superintendent of publicity in 1928. He was elected an assistant secretary of the group in 1948. In addition to his work with Aetna Fire, he has been active in the advertising programs of National Board and American Foreign Insurance Assn.

Insurance Women of Kenosha, Wis., will hold a dinner Oct. 18 for members of other Wisconsin and Illinois insurance women's organizations.

Keep a L-O-N-G step ahead of competition

with

AMERICAN CASUALTY'S NEW COMPREHENSIVE MAJOR MEDICAL POLICY

BASIC MEDICAL EXPENSE \$500.00

Pays up to \$500.00 of covered medical bills after a \$50 deductible.

PAYS BOTH

MAJOR MEDICAL EXPENSE \$10,000.00

After \$500.00 has been paid, the policy then pays 80% of medical expenses incurred up to an additional limit of \$10,000.00 (or \$5,000.00).

FOR INDIVIDUALS AND FAMILIES: Unallocated benefits for accident and sickness for expenses incurred within 3 years* (treatment in home, hospital or doctor's office) . . . level premiums . . . special children's rates . . . minimum exclusions . . . pays regardless of other insurance in force except Workmen's Compensation or Occupational Disease Act or Law Benefits. **GET ALL THE FACTS TODAY.**

*(2 years in Calif.)

AMERICAN CASUALTY
COAST-TO-COAST BRANCH OFFICE SERVICE

AMERICAN CASUALTY CO., Reading, Pa.

Please send Sales and Information Kit on the new **COMPREHENSIVE Major Medical Expense Plan.**

NAME _____

ADDRESS _____

CITY _____ STATE _____

S. C. Agents Vote To Back UJF As Opposed To Compulsory, Elect Thompson President

At its annual convention in Augusta, Ga., South Carolina Assn. of Insurance Agents endorsed the recommendation of the executive committee that the association support unsatisfied judgment fund legislation in preference to compulsory automobile. Bills on both subjects are pending in the legislature and will be taken up actively shortly after next Jan. 1.

Jake D. Hill, counsel of the association, told members that leaders of the state legislature have indicated they no longer will wait for some other plan of meeting the problem of the uninsured motorist, that the state is faced with a choice between UJF and compulsory in 1958.

About 350 agents, wives and company representatives attended the convention. W. L. Thompson Jr. of Hartsville was elected president to succeed J. Edwin Schachte Jr. of Charleston; Edwin F. Saunders vice-president, and J. Tom Grier of Spartanburg, E.

G. Johnson Jr. of Georgetown, and John M. Hunter of Aiken, members of the executive committee. R. A. Braddy of Dillon was reelected to the executive committee. Hayne P. Glover Jr. of Greenville was renamed state national director, and Gordon A. Schmidt of Charleston, secretary-treasurer, Mr. Hill and Manager Lloyd E. Greer were renamed to their posts.

Action on UJF came after the members heard R. Newell Lusby, vice-president of America Fore, discuss the uninsured motorist problem. He said the principal problem is one of highway safety and law enforcement rather than compensation, and he declared that the family protection endorsement was the best answer. As to UJF he stated that pamphlets being circulated by opponents contain only half-truths and misleading information by virtue of omission. He exhorted agents to avoid compulsory as they would the plague. He told of some of the problems in Massachusetts, and went on to show how the same evils were cropping up in New York. He read predictions made at the New York hearing on compulsory and read newspaper articles to show how accurate those predictions had been. He said the only surprise is the speed with which the

New officers of South Carolina Assn. of Insurance Agents: Standing, left to right, Gordon A. Schmidt, Charleston, secretary-treasurer; Jake D. Hill, Columbia, attorney; Lloyd E. Greer, Columbia, manager; J. Edwin Schachte Jr., Charleston, outgoing president; Hayne P. Glover Jr., Greenville, state director. Seated are Edwin F. Saunders, Waltherboro, vice-president, and W. L. Thompson Jr., Hartsville, president.



sured wishes to change the producer, it would be necessary for insured to return the policies for cancellation.

The insurer would accept the broker of record letter, and the brokerage firm would not insist that the policyholder return the policies for short-rate cancellation.

Later, however, the agency received from one of its fire companies copy of an endorsement on fire coverage on the same risk, apparently issued at the request of the brokerage firm. When it challenged that action by the fire company, its vice-president said that it had neglected to get in touch with the agent before issuing the endorsement because of oversight. Here, Mr. Slawsby declared, the company usurped a prerogative rightfully that of the agent.

In this case the change sought by the brokerage firm created a serious non-concurrence in the client's fire insurance. The policy bore agency reinsurance, and it had been endorsed to amend the coinsurance clause. The reinsurer was not notified of the change made by the issuing company at the broker's request.

Form changes requested by the brokers when addressed to the agent would be acceptable, if they met the underwriting requirements of the company, he said.

Warren King, merchandising manager of Life magazine, presented "Opportunities Unlimited," a visual and oral presentation on what agents may expect of the general economy in the future. James P. Walker of Augusta, Chairman of Southern Agents Conference, reported on conference activities and the next conference meeting in Miami next spring.

An unusual feature of the convention was the "Mystery Wallflower." An agent had been secretly designated as

the wallflower, and the 25th person to shake his hand was given \$25. The wallflower was Van Noy Weir Jr. of Abbeville, and the recipient of the money was Gene McElwain of Anderson.

Past presidents were honored with plaques expressing appreciation of the association for the work they had done both for the association and the agency system. An aquacade was presented in the hotel pool for the ladies.

Thompson Heads Slate For California Adjusters

C. C. Thompson, Oakland, headed the slate of nominees voted upon at the annual convention of California Assn. of Independent Adjusters last week at San Francisco. Others nominated are M. H. Seeger, San Diego, 1st vice-president; I. Bruce Murray, Bakersfield, 2nd vice-president, and W. C. Frost, San Francisco, secretary-treasurer. Louis Shaw, Santa Rosa, was elected as a director to complete the term of Ralph Freese, retired.

Flint (Mich.) Agents Elect L. A. McKinnon

Tri-Insurance Group of Flint, Mich., has elected Leonard A. McKinnon, McKinnon & Mooney general agency, president to succeed Prescott G. Averill, Prudential. Also elected were: John T. Buchanan vice-president, and James D. Smith and Robert W. Lambert, board members. The group is composed of representatives of Flint Assn. of Fire & Casualty Agents, Flint Assn. of A&H Underwriters and Flint Life Underwriters Assn.

Mich. CPCUs To Hear Bickley

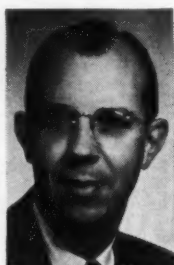
Michigan chapter of CPCU will hear John S. Bickley, Ohio State University, discuss the history of insurance marketing at its annual all-industry insurance conference in Detroit Nov. 19.

James M. Richardson, left, past president of South Carolina Assn. of Insurance Agents, administers the oath of office to his agency partner, W. L. Thompson Jr., Hartsville, and to J. T. Grier, Spartanburg, E. G. Johnson Jr., Georgetown, and John M. Hunter of Aiken, of the executive committee.



See
AMERICAN
SOUTHERN
Insurance
Company

Atlanta, Georgia



H. P. Glover Jr.



W. L. Thompson

predictions are being fulfilled and the rapidity with which the law has become a political football in New York.

Archie M. Slawsby of Nashua, N.H., new vice-president of NAIA reported on the progress of the NAIA advertising campaign and discussed broker of record letters.

Agency companies make a big mistake when they accept a broker of record letter from a national brokerage concern moving in on one of their own agent's accounts, Mr. Slawsby said. If a brokerage concern wins control of a line, the proper procedure is short rate cancellation, not permitting the broker to come between the agent and his own company.

Usually, broker of record letters are accepted without any consideration, Mr. Slawsby commented, even by agency system. Actually, the agency company has no authority to accept a broker of record letter on a line written by its agent, nor to issue or accept endorsements changing policies written by the agent, he declared.

In one case Mr. Slawsby said, his agency wrote to the brokerage firm saying, "We are not brokers of Blank Ins. Co. We are issuing agents. The insurance company cannot accept this broker of record letter. It would have to be served on us."

The agency's letter also pointed out that it would not accept the broker of record letter, as it accepts no brokerage from anyone. Then it suggested that under the circumstances, if in-

Year in ... Year out...

FIRE DESTROYS ALMOST A BILLION DOLLARS IN PROPERTY



Fire is no respecter of clocks or calendars . . . people or property. Each year thousands of people die in fires . . . millions upon millions of dollars worth of property is consumed.

And most fires are the result of carelessness! That's why constant and continuous fire prevention efforts all through the year are so necessary.

To help our agents, we provide a variety of fire prevention materials — booklets, motion pictures, etc. In addition, many other materials are available from the National Board of Fire Underwriters, National Fire Protection Association and the National Association of Insurance Agents.

Remember, when you help to prevent fires, you're helping yourself. Make fire prevention a regular, integrated part of your agency program — not only during Fire Prevention Week, but all year long.

Fire Insurance Division { **ÆTNA CASUALTY and SURETY COMPANY**
STANDARD FIRE INSURANCE COMPANY
Hartford, Connecticut
Affiliated with Ætna Life Insurance Company

Pa. Agents Reelect Graul, Honor Stewart At Annual

Pennsylvania Assn. of Insurance Agents, at its annual meeting in Pocomo Manor, reelected President William J. Graul of Allentown, and all other officers. They were installed at the banquet concluding the three-day convention by Louie E. Woodbury Jr. of Wilmington, N.C., president of National Assn. of Insurance Agents.

The convention adopted resolutions honoring W. Howard Stewart, Clearfield, past president, for his work as chairman of the state all-industry examinations committee during 1950-1957, and noting with regret the death of W. Ray Thomas of Pittsburgh, a past president of both the state association and of NAIA.

In his administration report, Mr. Graul made note of the fact he had traveled more than 12,000 miles on behalf of the association this year and spoke on compulsory automobile liability insurance before 24 non-insurance

groups. He also spoke of the association's assistance to the Monroney senatorial committee in its probe of finance company collision insurance overcharges.

Guest speakers on the program included Herbert P. Stellwagen, executive vice-president of Indemnity of North America, and Dr. Amos E. Neyhart, director of the Pennsylvania State university institute of public safety.

Larson Joins Buckeye Union

S. B. Larson has been appointed inspector and rate engineer for Buckeye Union Fire. He has been with the Ohio Inspection Bureau since graduating from Ohio State.

Among awards to be given for the best exhibits at Society of Industrial Packaging & Materials Handling Engineers convention Oct. 28-31 at Atlantic City is the **Harold Jackson** award, best of show trophy named in recognition of his contribution to the promotion of better packing in overseas trade. Mr. Jackson is president of Wm. H. McGee & Co. and president of Assn. of Marine Underwriters of the U.S. This is the 10th year the trophy has been up for competition.

Give Program For Wisconsin Agents Annual Oct. 22-24

"Use Your I's—Initiative—Intelligence—Industry" will be the theme of Wisconsin Assn. of Insurance Agents' annual convention at Hotel Schroeder in Milwaukee Oct. 22-24. More than 800 registrations are expected.

Three panel discussions in the afternoon of Oct. 22 will open the crowded convention schedule. M. B. Simms, Continental Assurance, will speak on "More Dollars In Your Pocket" and Edward J. Cuff, Griffiths-Tate Ltd., Chicago, will discuss "Can You Place It?" in a panel on commercial lines to be moderated by Maxwell D. Murphy, Green Bay. Donald Doherty of Milwaukee will moderate a panel on personal lines, in which Bernard P. McMackin Jr., assistant editor of the F.C.&S. Bulletins, will discuss "Don't Forget The Extras," and Maynard Whitelaw, Western Adjustment, Chicago, will review claim settlement under package dwelling policies. A panel on farm lines to consist of successful farm writing agents will be moderated by H. R. Herrick, America Fore group. A clinic on agency problems will be held at dinner following the afternoon program.

Members of Madison Insurance Board will present a skit entitled "Just a Little Homeowner" as the first event on the morning of Oct. 23. George A. Timm, state national director, will present his report and William Ellis, Aetna Casualty, will talk on "Hello, Mr. Prospect" later in the morning.

A general session, including election of officers, will be held at lunch Oct. 23, to be followed during the afternoon by four more panel discussions. H. H. Bush Jr. of Madison will moderate a panel on agency management in which Richard Layton, Rough Notes Co., and J. J. Glass, Lake Geneva agent, will participate. Frank Schaffer of Doremus & Co., which will handle the proposed national advertising program of NAIA, and John deHartog, Waupun, who recently won an award from Insurance Advertising Conference, will review tie-in advertising in a discussion to be moderated by Wayne Reesman of Milwaukee.

The third panel, "Meet The Direct

Writer," will be composed of Toik Saari of Superior and Lynn Burling of Green Lake, both of whom are former direct-writing company agents. The panel will be moderated by Don R. Morrissey of Appleton. O. B. Sullivan, Aetna Casualty, will speak on "Behind The Contract" and Philip Snodgrass, General Casualty of Wisconsin, will talk on legal liability in the fourth panel, "We Serve You First," which will be moderated by Walter Rhodes of Madison.

A talk "Look and See," will be presented by Milton W. Mays, America Fore group, and Russell Gallagher, insurance manager of Philco Corp., will speak on "Mr. Prospect Answers Back" during the morning session Oct. 24. At luncheon, Commissioner Rogan will analyze "Our Business" as the final event of the convention program.

J. W. S. Gallagher of Madison is chairman of the convention committee.

Named VPs Of Moore, Case

Harry S. Raymond and Donald A. Ford have been elected vice-presidents of Moore, Case, Lyman & Hubbard



D. A. Ford



H. S. Raymond

agency of Chicago. Mr. Raymond has been with the agency for 17 years, and Mr. Ford for 12 years.

Harrisburg (Pa.) Assn. of Insurance Agents will vote on the following nominations for office at the October meeting: Fred Dapp Jr., president; William S. Hench Jr., vice-president; Harry J. Finerfrock, secretary-treasurer, and William H. Foulk Jr. and Robert R. Roebuck, directors.

Louis Spicci, a director of Insurance Federation of New York, has opened his own agency at 29 Main street in Haverstraw, N. Y. He has resigned from the Thomas J. Freeman agency of Haverstraw, with which he has been associated since 1938.

The Directors of Moore, Case, Lyman & Hubbard

175 W. Jackson Boulevard
are pleased to announce that

Donald A. Ford

and

Harry S. Raymond

have been elected Vice Presidents

NATIONWIDE UNDERWRITING & CLAIM SERVICE

REPRESENTING DOMESTIC STOCK COMPANIES

PUBLIC NATIONAL INSURANCE CO. AND MIDLAND NATIONAL INSURANCE CO.

GENERAL LIABILITY

TAXICABS

FINANCIAL RESPONSIBILITY

WORKMENS COMPENSATION

TRUCKS-BUSSES

HARD TO PLACE RISKS

NON-STANDARD AUTOS

COMMERCIAL VEHICLES

SURPLUS LINES

KURT HITKE & COMPANY, INC.

General Insurance Agents

HOME OFFICE

175 W. Jackson Boulevard

Chicago 4, Illinois

Phone WAbash 2-3622

WITH ADDITIONAL OFFICES IN

1401 Peachtree St., N.E. 601 Munsey Bldg. P. O. Box 8046 905 Central Bank Bldg. 1535 Wilshire Blvd. 7950 Biscayne Blvd. 233 Sansome St. 407 E. Washington St.
ATLANTA, GA. BALTIMORE 2, MD. DALLAS 5, TEXAS DENVER 2, COLO. LOS ANGELES 17, CALIF. MIAMI 38, FLA. SAN FRANCISCO 4, CALIF. SPRINGFIELD, ILL.



Card for Mutual Company Meetings In La. Is Ready

Speakers have been announced for the meeting of Federation of Mutual Fire Companies and National Assn. of Mutual Insurance Companies at their meetings Oct. 21-23 at New Orleans.

"Responsibilities of Management" will be analyzed at the first session by Kenneth O. Force, executive editor of THE NATIONAL UNDERWRITER. Director Arthur Vorys of Ohio will talk on "An Insurance Commissioner Looks at the Fire and Casualty Insurance Industry."

Public relations will be stressed at the second session, the speakers being: Dilman M. K. Smith, Opinion Research Corp., on "How Public Opinion Affects You;" Edward F. Baumer, Communications Counselors, on "Your Number One Public—Your Policyholder," and S. F. Staples, Employers Mutual Liability, on "Winning Good Community Relations."

The mutual alliance will also hold a meeting at New Orleans, and will have on view its annual exhibit of mutual fire and casualty insurance advertising material. The alliance will feature an advertising-sales conference with a "brainstorming" session on the subject of increasing public interest in mutuals. Dr. B. B. Goldner of La Salle College school of creative thinking will preside.

S. B. Miller, V-P Of Glens Falls, Retires

Stanley B. Miller, vice-president of Glens Falls in charge of fidelity and surety and A&S, retired the end of last month after 30 years with the company.

Joining Glens Falls in 1927 as assistant manager of the bond department, he was advanced to manager in 1930, and in 1940 was elected a secretary of the company. He was named vice-president in charge of underwriting and production in F&S and A&S in 1949. He has represented Glens Falls on the executive committee of Surety Assn. of America and served as a director of the bureau of contract information in Washington, D.C.

D. I. A. Promotes Four

Several executive promotions have been made by Detroit Insurance Agency.

N. P. Macaddino, controller, has been promoted to account executive; G. W. Bradley, accounting department manager, has been named controller;

K. M. Faber succeeds Mr. Bradley as manager of the accounting department, and C. D. Thorsby of Royal Indemnity has joined D.I.A. in the accounting department.

The retirement was announced of S. M. Peterson after 31 years with D.I.A. He was manager of the engineering department, manager of the aviation department and account executive during his years with the agency.

James B. Slimmon, senior vice-president and secretary of Aetna Life, has been elected a director of Aetna Life and Aetna Casualty.

Five More States Okay Discount Rule Revisions

National Bureau of Casualty Underwriters has revised discount rules for burglary, glass and certain general liability coverages prepaid for three and five year terms in Alabama, Delaware, Minnesota, Oklahoma and Pennsylvania, effective Oct. 9.

Also, the revision in term multiple made by National Bureau and Inland Marine Insurance Bureau on accounts receivable and valuable papers has been approved in these states, effective Oct. 9.

James Is Resident Secretary Of Security At Louisville

John W. James, Louisville resident manager of Security-Connecticut, has been advanced to resident secretary there. He joined the group as Louisville manager in 1946, and became resident manager earlier this year when supervision of production in Tennessee was added to his duties.

Insurance Women of Racine Wis., heard Robert L. Malm, special agent Great American Indemnity, discuss the family auto policy and the uninsured motorist endorsement at the September dinner meeting.



housewife finds a package worth over \$125,000.00

Sure it's still a man's world. But we've also found that the ladies are quick to recognize outstanding success opportunities in the accident and health field.

One example among the many agents on our roster of star salespeople is a housewife who specializes in the sale of Combined's Union Labor Plan. Applying Combined's specialized sales training in coordination with our tailor-made merchandising materials, the lady is well on her way to earnings of over \$125,000.00 in the next ten years. After that, renewals will pay her a retirement income of over \$1000 a month.

A man's world? Of course. Hundreds of other agents are doing as well or better with Combined plans. It will pay you to inquire about them now. Do it today by mailing the coupon.

Combined Group of Companies

W. CLEMENT STONE, PRESIDENT

Combined Insurance Company of America, Chicago;
Combined American Insurance Company, Dallas;
Hearthstone Insurance Company of Massachusetts, Boston;
First National Casualty Company, Wisconsin

Insuring over 1,200,000 policyholders

MAIL
THIS
COUPON
NOW!

Combined Insurance Co. of America, Dept. 111
5316 Sheridan Road, Chicago 40, Illinois

Gentlemen: Please rush me details on what Combined package plans can do for me.

Name _____

Address _____

City _____ State _____

MIDWEST

BOND UNDERWRITING MANAGER \$10,000

Stock, bureau company, midwestern city under 500,000 pop.

Employer's Specifications:

Age to 45, minimum 7-10 years Fidelity-Surety underwriting experience, with at least one year on supervisory or managerial level. Reinsurance background very helpful—not mandatory.

Duties: Manage small underwriting department with tangible growth potential.

EMPLOYER PAYS SERVICE FEE & MOVING EXPENSES

Many other positions available for men with all degrees and types of FIRE—CASUALTY—LIFE—A. & S. EXPERIENCE. WRITE FOR OBJECTIVE INFORMATION—"HOW WE OPERATE"—CONFIDENTIAL HANDLING ALL INQUIRIES—NO OBLIGATION TO REGISTER.

FERGASON PERSONNEL

Insurance Personnel Exclusively
330 S. Wells St. Chicago 6, Ill.

HArrison 7-9040

We Broker Insurance Agencies

Spencer Retires As Coast Manager Of Commercial Union

Frank Spencer, Pacific coast manager of Commercial Union-Ocean group, has retired and is succeeded by D. E. Waggaman.

Mr. Spencer joined the group as a payroll auditor for Ocean Accident and Columbia Casualty in 1920 and advanced through the ranks.

Mr. Waggaman started with the group in 1935. In 1951 he was trans-

ferred from Denver to San Francisco as executive special agent, two years later becoming deputy assistant manager of the Pacific department.

J. E. Joseph and J. D. Keating continue as assistant coast managers.

Harold N. Wheat, Gordon V. Buckland, and Alvin C. Feller, all of Helena, Mont., have formed a partnership to operate the Hal Wheat agency there. Mr. Buckland has been with the agency for 15 years and Mr. Feller has been an agent in Raymond, Wash., since 1947.

Set Card For Mutual Casualty Conferences In Chicago Nov. 7-8

Conference of Mutual Casualty Companies will present a double-barreled program at its annual combined accounting and statistical—office methods and procedures conferences at the Conrad Hilton hotel in Chicago Nov. 7-8.

Jack C. Staehle, vice-president of Aldens, will discuss "Management's Responsibilities" before a joint session

of the two groups to lead off the two-day schedule. Following his talk, each section will meet separately.

For the remainder of the first morning, the accounting and statistical section will hear a panel discussion of package policy problems. S. S. Kerr, Shelby Mutual, will analyze statistical problems, and James P. Maltman, American Mutual Re, will review re-insurance. At the same time, the office methods and personnel section will hear T. W. Menzel, Iowa Hardware Mutual, discuss "Aptitude Tests—Values and Dangers."

Panel discussions of losses and electronic applications will be presented to the accounting group during the afternoon. Participating in the panel on losses will be John J. McGuire, Meridian Mutual, who will review claims experience reports; Hugh E. Ingall, Nationwide Mutual, who will explain estimation of unreported claims, and William Wacker Jr., State Automobile Mutual, who will discuss "Testing or Analysis for Adequacy." Members of the electronic applications panel and their subjects will be: C. L. McDaniel, State Farm Mutual Auto, investments; Elmo F. Gentes, State Farm Mutual Auto, policywriting; Walter W. White, Rural Mutual Casualty, premium billing; R. D. Arnett, Nationwide Mutual, payroll, and William Couch, Iowa Mutual, unearned premium reserves.

D. S. Smith, Meridian Mutual, will analyze selection of supervisors and J. B. Wilson, American Farmers Mutual will discuss "Do Employees Want to Unionize?" to lead off a crowded afternoon schedule of the office methods and personnel section. A panel on "Personnel Problems Resulting from Automation," to be moderated by M. S. Sandberg, Federated Mutual Implement & Hardware, will follow. Members and subjects to be presented are: R. M. Morphey, Mutual Service Casualty, "What Does the Employee Think of Automation?," Norbert VandenHeuvel, Farmers Mutual Auto, "Can Automation Reduce Our Personnel Problems?" and D. B. Spangler, Celina Mutual, "Indoctrinating New Employees Properly."

Representatives attending the accounting group's program on Friday will hear a panel on expenses. A. L. Busch, Mutual Service, will speak on "Allocation to Lines of Business," Hugh D. Wallace, Farmers Mutual Auto, will discuss "Reduction of Expenses by Budget Control," and Dewey Dawson, Celina Mutual, will review "Reduction of Expenses by Incentive Plan."

Simultaneously, a panel on training clerical employees will be presented to the office methods division. Members and subject will be: Charles D. Keesler, Citizens Mutual Auto, "How Extensive Should a Training Program Be?," Norman Felgner, Frankenmuth Mutual, "Centralized Training vs Departmental Training," and E. J. Henry, Nationwide Mutual, "Why Do We Make Mistakes?" F. W. Bishop, Michigan Mutual Auto, will moderate the panel.

Final event on the convention program will be a combined session of the two sections to hear Alvin J. Vosskuhler, International Harvester Co., who will discuss "Motivating the Employee to Do a Better Job."

Harold J. Smith, formerly secretary and manager of Lewis B. Pitcher & Co., independent adjusters of New York City, has opened his own adjusting office at 170 Broadway in New York. He entered insurance with F. F. Richardson managing general agents.

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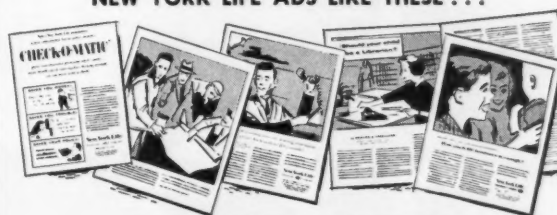
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ABA Reports Bank Crime Trend Is Again Downward

The trend in crimes against banks is again downward, according to a report of the insurance and protective committee of American Bankers Assn. released by Thomas F. Glavey of New York, vice-president of Chase Manhattan Bank, chairman.

Embezzlement losses of \$10,000 or more in the first half decreased 28% in dollar total compared with the corresponding period of 1956, while crimes of violence against banks during the association fiscal year ended Aug. 31 were 16% under the previous 12 months.

During the first six months of 1957, there were reported 37 embezzlements of \$10,000 or more aggregating \$2.7 million, compared with 35 embezzlements amounting to \$3.7 million in the first half of 1956. Only three of the 37 losses exceeded the amount of fidelity insurance in force—being underinsured to the extent of approximately \$1 million, Mr. Glavey pointed out. Two of the three underinsured banks were placed in receivership.

The largest loss—approximately \$1.1 million and underinsured to the extent of \$900,000—had built up over a period of 20 years, reportedly due to the president's inability to refuse loans to friends whose credit standings were questionable. After the president committed suicide, directors, stockholders, and others interested raised sufficient additional capital for the bank to resume business. The receivership was terminated and the bank reopened.

This meant, Mr. Glavey commented,

that supervisory authorities were forced in the first six months, to liquidate only one bank, which had deposits of about \$1 million. Manipulation of deposit accounts for more than 10 years by the executive vice-president resulted in a loss of \$155,000. The bank had insurance of \$65,000.

The total number of crimes of violence was 248, the report states—26 attempted burglaries, 32 burglaries, 33 frustrated holdups and 157 holdups. Losses totaled \$1,129,985. Of this, burglars got \$185,272; bandits \$944,713. Comparable figures for the previous fiscal year included 49 attempted burglaries and 28 burglaries with losses of \$214,275 and 57 frustrated holdups and 163 holdups with losses of \$1,330,109.

N. J. Fire Bureau Elects

Fire Insurance Rating Organization of New Jersey at its annual meeting in New York City elected as new members of the governing committee American, Home, Scottish Union and U. S. Fire.

Buyers To Attend WC Hearing

Insurance Buyers Assn. of Houston intends to have as many of its members as possible attend the hearing on workmen's compensation rates at Austin Oct. 22. The group will travel via private aircraft to make its first appearance in the legislative field.

Speaker at the Oct. 9 meeting was Dr. Lewis Crosson of the Dale Carnegie Institute.

Morgan B. Brainard Jr., senior vice-president and treasurer of Aetna Life companies, has been elected a director of Standard Fire to fill the unexpired term of his father, the late Morgan B. Brainard.

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CONNECTICUT GENERAL

Kimble Is Editor Of Stewart, Smith Paper On Weather Research

Stewart, Smith & Co. has published the third and fall issue of its *Weather Research Bulletin*, introduced last spring and since then the subject of considerable favorable comment in the business. The bulletin is edited by Dr. George H. T. Kimble, professor of geography and chairman of the geography department of Indiana university, a



George H. T. Kimble

noted writer on weather, and former director of the meteorological observatory at McGill university in Montreal.

Prepared for interested persons in insurance, the bulletin is available at no charge through Stewart, Smith offices at 116 John street in New York, at the Board of Trade building in Chicago, and in Philadelphia, Birmingham, Montreal, Toronto, Vancouver, and in London. The fall issue contains articles by Dr. Kimble, who deals with the pros and cons of scientific "tinkering" with the weather; and Paul J. C. Friedlander, travel editor of *New York Times*.

Mr. Friedlander writes on jet flying above the weather. Last July 15, he was aboard the Boeing 707 jet airliner, on its aviation history-making flight from Seattle to Baltimore.

AEC Names Travelers Executive To Reactor Safeguards Committee

Reuel C. Stratton, assistant director of the research department of Travelers, has been appointed vice-chairman of the Atomic Energy Commission advisory committee on reactor safeguards created this year by Congress. He has been with Travelers since 1919.



Reuel C. Stratton

As prescribed by Congress, the committee's functions will be to review safety studies and facility license applications, advise AEC on the hazards of proposed or existing reactor facilities and the adequacy of proposed reactor safety standards, and perform other duties the AEC may request.

Two Daly Veterans Retire

Joseph C. Dinhaupt and Joseph M. Boyce have retired as loss manager

and assistant bond manager respectively of the Daly general agency of Denver.

Mr. Dinhaupt joined the Daly agency when it was founded, and after two years in the field took charge of the loss department. Mr. Boyce began with Daly in 1923.

Automobile Claims Assn. heard J. P. Schwab, service representative of Fisher Body of Detroit, review body construction and replacement in body work as a result of an auto accident, at the October meeting in New York City.

Potter Retires As Phoenix Of Hartford Secretary At Chicago

William H. Potter Jr., secretary of Phoenix of Hartford group in charge of Chicago and Cook county, has retired after 43 years with the companies. Assuming Mr. Potter's duties will be Herbert S. Anderson, who has been with the group 31 years, the last two as manager at Chicago.

Prior to joining the group as fire

examiner in the Connecticut Fire home office in 1914, Mr. Potter had been in the reinsurance departments of National Fire and North America at Hartford and the home office of Security of New Haven. In 1919, he was appointed state agent in Indiana and in 1921 was named state agent in Illinois for Phoenix. Named Cook county manager in 1926, Mr. Potter was elected secretary of the group in 1950.

Mr. Potter was treasurer of Chicago Board for two terms and was also a director.

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Convention Dates

- Oct. 13-16, National Assn. of Mutual Insurance Agents, annual, Sherman hotel, Chicago.
- Oct. 14-15, Arizona Assn. of Insurance Agents, annual, Westward hotel, Phoenix.
- Oct. 15, Louisiana Assn. of Insurance Agents, midyear, Bently hotel, Alexandria.
- Oct. 16-18, National Assn. of Independent Insurers, annual, Edgewater hotel, Chicago.
- Oct. 17, Inter-Regional Insurance Conference, annual, Plaza hotel, New York City.
- Oct. 17-18, Pacific Fire Rating Bureau, annual, Camelback Inn, Phoenix.
- Oct. 19-23, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.
- Oct. 20-22, Kansas Assn. of Insurance Agents, annual, Baker hotel, Hutchinson.
- Oct. 20-22, Maryland Assn. of Insurance Agents, annual, Lord Baltimore hotel, Baltimore.
- Oct. 20-23, National Assn. of Mutual Insurance Companies, annual, Jung hotel, New Orleans.
- Oct. 21-22, Insurers of Tennessee, annual, Chattanooga, Read House.
- Oct. 21-22, Insurers of Tennessee, annual, Chattanooga, Read House.
- Oct. 21-23, Individual A&S Insurance Forum of Health Insurance Assn. of America, Baltimore hotel, New York.
- Oct. 21-23, California Assn. of Insurance Agents, annual, Hotel del Coronado, San Diego.
- Oct. 22, Conference of Mutual Casualty Companies, Jung hotel, New Orleans.
- Oct. 22-23, Massachusetts Assn. of Insurance Agents, annual, Sheraton Plaza hotel, Boston.
- Oct. 22-24, Wisconsin Assn. of Insurance Agents, Schroeder hotel, Milwaukee.
- Oct. 27-29, Illinois Assn. of Insurance Agents, annual, Pere Marquette hotel, Peoria.
- Oct. 27-29, Missouri Assn. of Insurance Agents, annual, President hotel, Kansas City, Mo.
- Oct. 28-30, Ohio Assn. of Insurance Agents, annual, Commodore Perry hotel, Toledo.
- Oct. 30, Connecticut Assn. of Insurance Agents, annual, Statler hotel, Hartford.
- Nov. 7, Insurance Federation of New York, annual, Waldorf-Astoria hotel, New York City.
- Nov. 7-8, Michigan Assn. of Mutual Insurance Agents, annual, Statler hotel, Detroit.
- Nov. 15, American Marine Insurance Clearing House, annual, New York City.
- Nov. 17-19, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.
- Nov. 17-20, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.
- Nov. 18-19, Illinois Assn. of Mutual Insurance Agents, annual, Orlando hotel, Decatur.
- Nov. 21-22, Casualty Actuarial Society, annual, Sheraton hotel, Philadelphia.
- Nov. 21-22, Mutual Insurance Agents Assn. of New England, annual, Somerset hotel, Boston.
- Nov. 30-Dec. 1, Montana Assn. of Mutual Agents, annual, Northern hotel, Billings.
- Dec. 6, Insurance Accounts Assn., New Yorker hotel, New York City.
- Dec. 11, Eastern Underwriters Assn., annual, Commodore hotel, New York City.

1958

May 1-3, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 22, Midwestern Independent Statistical Service, annual, Bismark hotel, Chicago.

June 11-12 Wisconsin Assn. of Mutual Insurance Agents, annual, Schwartz hotel, Elkhart Lake.

12 District Directors Of Iowa Agents Assn. Named

Iowa Assn. of Insurance Agents has completed the election of district directors for the 1957-58 year. They are: A. I. McClintock of Cherokee; E. C. Elling of Garner; Kenneth Long of Mason City; R. H. Flieher of Strawberry Point; Myron Ellison of Solon; Sherwood Bell of Marshalltown; Earl Holtz of Ames; Kenneth Bolton of Sioux City; David Shugart of Council Bluffs; Frank P. Clarke of Mount Ayr; Carl Obermann of Ottumwa, and William Woodall of Burlington.

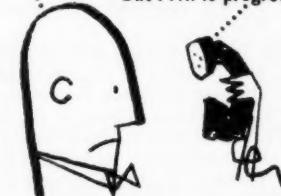
Brooklyn Brokers Nominate

The nominating committee of Brooklyn Insurance Brokers Assn. has proposed the following slate for action at the annual meeting: For president, Frank I. Schiraldi; vice-presidents, Peter A. Locke, Anthony A. Canataloupo and Abraham Punia; secretary, Louis J. Maresca; financial secretary, Nicholas V. Sichenze; treasurer, David H. Krasnoff, and sergeant at arms, Leo Feldman.

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But P. N. is different



All Insurance Companies are the same
But P. N. is progressive



All Insurance Companies are the same
But P. N. is profitable for producers



And another agent has been won over by the aggressive leadership of the Pacific National Group.

PACIFIC NATIONAL INSURANCE GROUP

PACIFIC NATIONAL FIRE INSURANCE COMPANY
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Philadelphia, Penn. • Skokie, Ill. • Atlanta, Ga.

COMMENTS

TRENDS

OBSERVATIONS

'Captive' Agent Hopes For Less Name Calling

From W. J. Thorpe of North Hollywood, Cal.:

My company, a direct writing organization, very kindly furnishes me with a much appreciated weekly copy of THE NATIONAL UNDERWRITER. Your publication is most interesting to me because it always seems to print all of the pertinent news of interest to the insurance salesman, whether he be broker, solicitor or direct writer.

In this connection your report of Harold R. Silvey's remarks at the NAIA workshop was most certainly news to me. My first reaction was to write you a letter in which I could indulge myself in a good deal of heavy-handed sarcasm at Mr. Silvey's expense, point with pride to my segment of our industry and direct a bony finger of scorn at some of the egregious blunders I have seen on the part of brokers, agents and agency companies. This first impulse no doubt came from Mr. Silvey's invidious reference to me and my multitude of conscientious colleagues as incompetent "captives" misrepresenting our way toward an unhappy old age and a pension.

However, first impulses are not necessarily wise. Perhaps a balanced view on the part of Mr. Silvey and me would be more useful.

Our respective roles in furnishing effective insurance protection to the insuring public are not mutually exclusive. There are some insurance jobs I do better and more economically than Mr. Silvey; some things he does better. One of us is not going to exterminate the other by odious remarks to insurance buyers who, after all, don't give a hoot for the broker-direct writer controversy. I do not believe the buying public draws fine distinctions between independent agents and direct writers as such. To the buyer, both of us represent the Insurance Industry and we incur the buyer's contempt for both of us and for our industry when we denigrate one another.

The proper way to sell insurance competitively, it seems to me, is to set out to the buyer the coverage he needs, the coverage you recommend, the service you provide and the price you charge. Any collateral hair pulling which calls into question the personal motivation of your competitor lowers both of you in the buyer's mind. Sales methods of this sort are not a war but a suicide pact in which the competing parties agree to destroy each other's reputations. Also, as a side result, they shoot down the professional status of all the fine men in our business. In a law suit, if the facts are against one of the parties, he will sometimes attack the motives and reputation of the other party. Though Mr. Silvey feels it to be so, I do not think the facts weigh so heavily against a competent broker that he must attack the good faith of the direct writer.

In closing I would like, if I may, to



"I'M TRYING TO FIND ONE LINE THAT DOESN'T SHOW A LOSS."

refer briefly to Mr. Silvey's scorn for my "captive" position. Page 21 of your September 21st issue, the same issue that reports Mr. Silvey's remarks, has an interesting article by Mr. Guy Ferguson on the position of a salesman working for a broker. I am bound to say the position, as outlined by Mr. Ferguson, is matched or bettered in all respects by the job position offered by my company and many other direct writers.

As you report Mr. Silvey's remarks he seems to be a man of outstandingly aggressive qualities, a man who would not be satisfied with vesting his accounts with the broker who hired and trained him and a man who would hardly be satisfied with 50% of the commissions, under the method outlined by Mr. Ferguson's article. Would these arrangements not chafe until he left the broker, as he did the direct writer, to set up his own agency? I suggest he very well might and I find no fault with it. Each man, "captive" and independent agent alike, must make his own way as he feels is best.

But regardless of the place each of us occupies in the insurance field do we not owe one another an obligation so to conduct ourselves that we reflect credit one upon the other as we offer the public an opportunity to choose between us?

Aviation Volume Up, Competition Grows Steadily

By ROBERT YOUNG JR.

Air travel and aircraft manufacturing have increased. Consequently, aviation insurance premiums rose slightly the first half of 1957.

The influence of airline traffic on premium volume has been considerable. In 1956, 46 billion passenger miles were flown. Air travel has become commonplace and is slated to increase even more. A footnote to this is the definite trend by insurers toward including aviation risk in the standard travel policy.

Competition for all kinds of aviation insurance business—save one or two—has increased and grows keener. This includes airlines, industrial aids and manufacturing. Premiums for the last two classes have made very marked advances.

Industrial aids premium volume is climbing steadily. Experience the first half of 1957 was satisfactory, and underwriters expect it to improve noticeably during the next few years as companies switch from use of equipment bought as surplus after World War II to newer, safer aircraft built since the war.

There has been an increase in industrial aids rates. This was a result of bad experience last fall. Premiums have grown because of this and also because of the increased number of firms which are buying their own aircraft. Such aircraft are growing in dollar value. One or two corporations, it is reported, are in the market for jet planes for executive use.

Manufacturing premiums have grown in volume because of a notable rise in the purchase of products liability coverage.

One kind of business which is not subjected to competitive pressure is the helicopter. Outside of those owned and operated by the federal government, there are perhaps 300 commercial helicopters to be insured. Experience has been poor in the past and continues to be bad. The helicopter takes two or three times the standard airplane rate.

One side effect of aviation activity is the change and expansion in facilities and functions at airports—restaurants, gift shops, bars, car rental offices, telegraph offices, beauty shops, and many other conveniences maintained for the air traveler. These facilities have produced a considerable increase in regular fire and inland marine premiums.

The aviation business, of course, lives in the shadow of catastrophe losses. Such losses appear to run in cycles. The airlines, industrial aids, etc., may go for more than a year (as the airlines once did) without the sort of losses whichadden the books of insurers. Then, suddenly—last fall in the case of industrial aids—there will be a number of crashes in quick succession.

Junior Fire Marshals Now Marking 10th Year

The activities of nearly four million junior fire marshals in the field of fire safety is this year more important than ever as national fire losses threaten to reach a record-breaking \$1 billion, according to James C. Hullett, president of Hartford Fire, sponsor of the junior fire marshal campaign, which is celebrating its 10th anniversary.

More than 20 million youngsters in the U. S., Canada, Hawaii, and the Philippines have become junior fire marshals during the past decade. They are taking an active part in the observance of Fire Prevention Week through the home inspection report featured in the fall edition of the Junior Fire Marshal magazine. Of elementary school age, the millions of youngsters, with their parents, will inspect their homes for common fire hazards. As a reward for this work, the junior fire marshals receive a signet ring and a plastic helmet. For outstanding group effort they can win an achievement award banner for their school.

Hartford Fire agents throughout the country have received promotion kits for this year's fire marshal program.

Results Of Year Long Mapping Vs Carding Study Are Published

"Why Map?", a booklet detailing the pros and cons of mapping vs carding methods, has been published by Sanborn Map Co. of New York. The booklet is the culmination of what is believed to be the most exhaustive study ever made of the subject. It was a year in preparation.

With combined loss and expense ratios running more than 100 for most

companies during 1956 and apparently headed higher this year, the question of mapping vs carding takes on added significance, Charles P. Herbell, president of Sanborn Map, points out in a foreword to the booklet. The study establishes the superiority of mapping from the standpoints of costs and underwriting results, but includes answers to problems which can prove helpful to managements using either method.

Copies of the booklet are available free from the company at 10 Cedar street, New York.

Ellis Discusses The Professional Agent At N. H. Assn. Annual

There are insurance merchants and there are insurance professionals, Porter Ellis of Dallas, NAIA executive committeeman, told New Hampshire Assn. of Insurance Agents at its annual meeting in Wentworth-by-the-Sea, and "the vast majority of the members of National Assn. of Insurance Agents," he said, "are constantly striving to attain a true professional status as insurance agents."

There are complaints from many sources that the agents are not merchandising insurance as they should, he said. But, on the other hand, many references are being made to the fact that the insurance agent of today must be a professional.

Under the title, "Education and Professionalism," Mr. Ellis discussed what makes an insurance agent an insurance professional, from a starting point of what constitutes the difference between the insurance professional and the merchant. The latter operates completely on the premise that he is being paid to sell and sell only. "I do not mean to imply by this that he does not sell ethically, intelligently or efficiently," he said. Just that his fundamental purpose in the business strictly is to sell insurance. No honest endeavor is made to determine the risk or exposures of a given insured. The insurance merchant merely sells policies whether or not his client needs the particular coverage.

It is true that the insurance professional never loses sight of the fact that he is in the business to sell, but his entire approach and objective entirely different. In many senses of the word, the insurance professional is being paid to give advice and render service. "His first concern and his only concern is the problem of what is best for his client," he said. "If insurance is the answer to the problem he recommends it. If it is not the best

solution, he has no hesitancy in so advising his client."

Mr. Ellis said that the philosophy of an insurance professional is best expressed in the CPCU oath, which reads in part: "I shall strive at all times to ascertain and understand the needs of those whom I serve, and to act as if their interests were my own." He said that he did not believe it reasonable to expect an insurance merchant to take such an oath.

Discussing just why an insurance agent should endeavor to become an insurance professional, he remarked that there are many obvious answers to the question. The most important reason in his opinion is the fact that the insurance buying public is entitled to the service of a professional and if they aren't receiving it they are paying for something which they are not getting. "Do not ever forget that it is the insurance buying public that is paying you your commission—not the insurance companies," he said.

"Another reason, he said, is the fact that there is no other occupation in which one can be engaged that requires a broader working knowledge of more different things than that of an insurance professional. It is demanded that he have a comprehensive knowledge of his own products—the various policies available, as well as a knowledge of general economics, contracts, commercial law, law of negligence, general business administrative procedures, and finance. "Take these two reasons alone, add them together and visualize the personal satisfaction that you as an agent would have in knowing that the job is being well done and there I think you have the answer as to why we should constantly strive not only to attain but to maintain our position as insurance professionals," he said.

Lodestar Loss To Cost Insurers \$150,000; Beechcraft, \$10,000

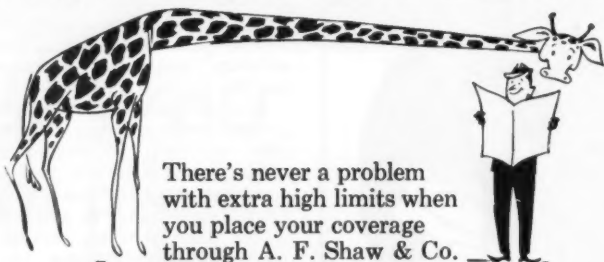
The twin-engine Lockheed Lodestar passenger airplane owned by Standard Oil of Ohio which crashed on a fog bound mountain ridge near Uniontown, Pa., killing all six persons on board, was valued at around \$150,000 and insured in Aero Associates. En route east from Cleveland, the aircraft struck the mountainside and burst into flames.

The single-engine Beechcraft private passenger airplane which exploded in midair and crashed in a cornfield seven miles east of Toledo was insured in Associated Aviation Underwriters for approximately \$10,000. All four persons aboard were killed.

Underwriters Handbook Of Florida Is Published

A new Underwriters Handbook of Florida has just been published by The National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the Florida handbook may be obtained from The National Underwriter Co., at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

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Avoid needless complications and delays the next time your regular carriers can't handle Excess Limits. Call on the super marketing facilities of A. F. Shaw & Co.

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SINCE 1914

Cushman Discusses Earthquake Hazard For N. Y. Buyers

"Can You Stand A Shock?" was the title of a talk on the potential insurance hazard of earthquakes given by William F. Cushman, vice-president of American Foreign Insurance Assn., before the New York chapter of American Society of Insurance Management.

The natural attitude in the past, he said, for many insured as well as some underwriters has been to consider this hazard a problem only in certain recognized earthquake zones. Events of recent years prove location alone may not justify a feeling of safety. The hazard is universal and cannot be disregarded wherever properties are located. Records of serious catastrophes for about 200 years show they have in the main occurred in certain belts. One runs along the western coast of the two American continents, along the so-called continental shelf of the Pacific from northern Japan through the Pacific islands to the Philippines, and extends to New Zealand. Another is in the Mediterranean, running from Italy through the middle east and on to India and Malaya. Tremors of varying intensity, however, frequently occur outside these areas. Even Great Britain recently suffered one.

Citing examples showing the variety of areas where earthquakes occur—in Mexico, Greece, Jamaica, Japan and New Zealand; and the potential damages they may cause—\$10 million in Mexico City alone last July, \$10 million in Volos, Greece, in 1955; and \$800 million in the Tokyo-Yokohama area of Japan in 1923, Mr. Cushman pointed out that in most instances, although the damage may be large the amount insured against earthquake was small in comparison. He said it should be remembered that some of the most violent earthquakes occur in isolated, sparsely inhabited areas where little commercial or industrial property is located. This keeps the total property destruction down, but adds to the frequency factor with the unknown always being where and when the shocks will occur.

In the U. S. shocks have been recorded, some doing considerable damage, in areas considered entirely outside the recognized earthquake belts. For example, shocks have been noted in Missouri, South Carolina, New York, New Jersey, Connecticut, New Hampshire, and other states looked upon as "safe" by comparison to California and Nevada, which have long earthquake histories.

Australia is not regarded as earthquake prone, and is generally considered by insured and underwriters to be like most areas outside the recognized danger zones, he said. Yet, on March 1, 1954, a comparatively minor shock hit the country around the city of Adelaide. A few in the area carried earthquake insurance specifically, but homeowners and householders comprehensive policies included the hazard practically on a "throw in" basis. Thousands of small claims resulted in estimated damage of over \$6 million. This, indeed, he said, is an example of why insured and underwriters need to face the question of

whether they can stand the shock.

"Since we are talking on a world wide scale we must remember that basic policy conditions differ and in considering your problem bear in mind the customary practice of the state or country where your property is located," he went on. In many states here, fire from nearly any cause is covered but shock damage itself is excluded. In most foreign countries neither fire following an earthquake nor shock damage is covered unless by endorsement or separate contract and for this an additional charge must be

made. In a few foreign countries the practice in between these two positions holds true. Where the earthquake hazard is excluded the clause is broad, definite and specific and the charge for the inclusion varies according to area from a nominal amount to rates considerably higher than the fire rate itself. This is understandable, he said, when it is considered that conflagrations and catastrophic type fires are far more possible if an earthquake has ruptured gas mains, water pipes, electric power lines and sprinkler systems, blocked

off roads preventing fire fighters from responding or provided a multiplicity of simultaneous outbreaks nullifying the efforts of fire departments.

Mr. Cushman told his audience that as insurance buyers they are responsible for the protection of "your principal's properties and, I, as an underwriter, am likewise responsible for safeguarding my company from the catastrophe potential in unsound exposure to earthquake accumulations." There is a mutual need for both of us to study all phases of this problem, he said.

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Met Actuary Tells Experience With Older Age, Blue Collar And Female A&S Risks

NEW YORK—The insurance business often develops new policies to meet needs that might be met by someone else if the companies do not fill the gaps, Eduard H. Minor, assistant actuary of Metropolitan Life, told 100 members of New York City Accident & Health Club at its first meeting of the season in the Hotel Shelburne. He discussed actuarial de-

velopments of current interests to the A&S business.

In December, 1955, Metropolitan introduced a whole life hospital and surgical expense policy that could be issued up to age 75 and kept in force for life. This was done to meet the needs of older lives, rather than from any desire to increase the insurance in force, Mr. Minor said.

There was a complete absence of published data regarding claim costs on which actuaries might rely for premiums. And there were no underwriting standards which could help the underwriters. In analyzing a year's experience with this kind of coverage, it was found that for any one calendar year traditional loss ratios are not a very good measure. It is preferable to compare the claim costs with the tabular 1-year term rates rather than with gross premiums.

Metropolitan found that on indi-

vidual, compared with family coverage, the experience with the older female was better than that of the males. This was exactly in accordance with the premium assumption. From what little data could be obtained, the premiums had been based on an expectation that the traditionally higher cost for female lives at the younger and middle ages, as compared to males, would diminish until they actually become lower than the male rates after age 65. Actual experience tends to bear out these expectations, Mr. Minor said.

Metropolitan's underwriters, working in this field, did some pioneering. It was decided to accept cases with blood pressure that would be rated as high as 300% extra for life insurance purposes. The underwriters were inclined to believe that this is satisfactory for hospital coverage. Applicants with history of heart condition are being accepted for all types of systolic murmurs where only a minimum amount of hypertrophy is indicated. Applicants with organic case histories are rejected. Metropolitan is not rejecting applications that show evidence osteo-arthritis, but is rejecting rheumatoid cases.

Metropolitan has been writing loss of time coverage with a 1-week waiting period on "blue collar" risks since April, 1951. In developing premium rates, the company assumed a higher accident claim cost than was necessary but a lower sickness cost than developed. One of the primary reasons for the higher sickness rate is inclusion of a large number of outdoor occupations. Apparently the duration of disability is considerably affected if the claimant has to return to outdoor work rather than office work. This is important if companies are operating in the northern states and Canada, Mr. Minor pointed out.

Metropolitan has been offering sickness coverage with a 1-week waiting period to females since 1951. Although the accident experience on these business and professional women has been quite satisfactory, the sickness claim rates have been surprisingly high. Salesladies in dry-goods and ladies apparel stores have shown the worst experience. Department store buyers apply for the larger size policies and are quite desirable risks. Their experience has been good, with the claim cost only 70% of that for salesladies in the same type of stores.

Relatively few applications are being submitted or accepted as sub-standard, Mr. Minor continued. On the other hand, many are still being covered on the traditional basis of riders and waivers to exclude coverage of particular ailments indicated by past medical history. If claim adjusters were to refer all closed claims where the nature of the illness made acceptance of a new application unlikely, some very valuable data would be provided. Most of these policies are continued in force and, by noting the impairments in the in force card, it would be possible for the future experience to be studied separately from standard policyholders.

Turning to major medical, Mr. Minor noted that many companies have chosen to use deductible clauses of such rounded amounts as \$250, \$500, \$750 and even \$1,000. After a study of nearly 100,000 claims, Metropolitan concluded that a deductible of \$200 might be more desirable than one of \$250 from the standpoint of eliminating a large number of small claims.

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also \$200, \$400 and \$600 might be more natural limits than those presently offered by companies in this field, Mr. Minor said.

Metropolitan is inclined to doubt that a deductible clause of more than \$600 is desirable. As in the case of other lines of business, there is always a constant per policy and a percentage of the gross premium for the loading. As the amount of the deductible is increased, the ratio of the constant charge to the gross premium will become greater. With a deductible of \$750 or more, it is almost certain that the benefit portion of the gross premium will fall below 50%. With a \$1,000 deductible, it would drop to 35% or less.

Analysis of the experience that develops in this new field may result in many more different deductible arrangements than are being seen at present, Mr. Minor continued. It is possible that the same policy could have different deductibles for males, females and children. If the amount of the deductible is raised as the age increases, it would tend to level out premiums and still provide satisfactory protection in view of the increasing expense as the policyholder matures.

Local President Trophy Given N. Y. State Assn.: Will Be Annual Award

A new trophy has been presented to New York State Assn. of Insurance Agents, which will award it yearly to the outstanding local board president during the association's annual convention each May.

The award is the gift of Policy Advancing Corp., the successor to State Association Service, the premium financing company which was previously owned by the state association.

According to Craig Thorn, Hudson, president of the state agents group, the main trophy will be a permanent one. Each year, Policy Advancing Corp. will provide three replicas of the trophy, which will become the personal property of the winner and the two local board presidents who will receive honorable mention.

The award will be known as the Emmett Rhodes trophy. Emmett Rhodes was president of New York Assn. of Insurance Agents during 1903-1905, and as such, and as NAIA legislative chairman, masterminded the Yonkers case, which settled the question of agents ownership of expirations.

Doyle Moves To Mass.

Hartford Accident has appointed Horace L. Doyle claims manager at Pittsfield, Mass., and transferred him there from adjusting duties at Providence, where he joined the company in 1953 after five years as an adjuster of a local agency.

Plan N. C. Compulsory Auto Clinic

Southern 1752 Club will sponsor a series of four educational clinics in North Carolina beginning Oct. 22 to brief agents on the procedures to be followed in complying with the state's new compulsory auto liability insurance law.

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INQUIRIES FROM BONAFIDE AGENTS INVITED

Aetna Fire Advances Thomas In Planning

Aetna Fire group has promoted William G. Thomas to manager of the planning and methods department. Formerly assistant manager, he succeeds Roger W. Guile, who has become assistant manager of the SPAN electronics center under Ragnar E. Anderson, assistant secretary of Aetna Fire and project director of SPAN.

Mr. Thomas joined the group in 1954 as assistant general services supervisor and was advanced to supervisor

of the record making department the following year. He became assistant manager of planning and methods last year. His insurance experience includes 11 years as an agency accountant in Philadelphia.

American Promotes Shady

American has promoted Albert R. Shady to engineering supervisor at Nashville. He recently transferred from New York City, where he has been active in safety engineering department of American Automobile for the past eight years.

North British Names Moore In London

H. G. Moore has been appointed deputy general manager at the London head office of North British. A secretary of the company, he succeeds G. H. Aitken, who is retiring Nov. 1, after 44 years with the company.

J. E. Lutz & Co. agency of Knoxville, Tenn., is celebrating its 60th year of representing Travelers. Organized in 1896, the firm became agent of Travelers the following year.

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EDITORIAL COMMENT

Courage To Pass Dividend In Bad Times

A few weeks ago, when the directors of Providence Washington took no action on the regular 25 cent quarterly dividend they acted courageously and realistically. For some time Providence Washington has been experiencing an abnormally high loss ratio. So have many other companies. While it is true that most fire and casualty companies pay stockholders dividends out of interest or investments, the interests of stockholders are not necessarily being served best by continuing to pay a dividend when disastrously high losses are draining off surplus funds.

Other companies which have been battered and overwhelmed with losses on all classifications might very well consider whether they want to continue to pay dividends or the same dividends as in the years when the loss ratio was favorable. The dividends of the leading corporations of all kinds tend to fluctuate in this way reflecting the profits and prospects. It is common practice for corporations to pay more dividends when they have a good year and less in dividend when the results have been poorer.

Companies in the insurance business have not followed this practice to the same extent as industrial companies,

public utilities and other corporations whose shares are listed on the New York Stock Exchange. The fire and casualty companies have felt they were following a sound policy when they restricted dividends to interest on investments. Undoubtedly this was the safe and indicated course in normal times when underwriting profits permitted additions to surplus year by year.

But in troubled times like these, when the surpluses of even the largest and most carefully managed companies are being drained away, sometimes in large amounts annually, it becomes a serious question whether the normal, customary dividend practice is either wise or safe.

It is certainly no disgrace for a company to omit or reduce the dividend paid to stockholders. Actually dividends should be a reflection of a company's over-all results. When those results are poor the dividend should go down; when they are better than usual the dividend should go up. The best interests of stockholders are not being served by any company which keeps on paying the same dividend during years when the underwriting results are about the worst in modern history—Howard J. BurrIDGE.

Some Insurers Strain Agency Relations

These are days when companies are giving their ideas on what agents should do to get the best results and companies should be operated with particular reference to their agency relations. Both sides are showing no reluctance about saying what the other should do.

During the last year particularly, many agents have commented upon the way in which some companies have changed their underwriting practices almost completely. That is, a company which formerly was a good one to represent, which had services and values of many kinds to offer an agency, gradually or even suddenly has restricted its underwriting operations to such a marked extent as to become almost useless to the agency writing an average volume of business.

Companies have done this of course because of their abnormally high loss experience over the past two or three years. The results on even good classes of business have been shocking and almost beyond understanding. As a consequence some companies have become panic-stricken and have concluded that they must write relatively small amounts on even good classes of business and eliminate entirely the writing of business that seems hazardous or that has in the past shown only a fair experience.

This tightening up of underwriting practices has been very disturbing to many agents who gradually have come to realize that several of their

companies were willing to write what is often referred to as "pig iron under water."

Here is how one agent expressed it recently:

"Such companies are trying only to protect themselves. They are not considering in any way the problems of the agents who bring the business to them. In my town and in most other towns, I am doing an across-the-board business. Naturally I am looking for the preferred and profitable business, but because I am involved in the community and doing business with as many people as possible I have to write workmen's compensation, automobile fleets, industrial plants that have some hazardous manufacturing operations, warehouses, multiple occupancy buildings and just about everything that there is in the town one block after the other.

"No company is any good to me that will not write the average business that I have to offer as it comes, the best, the fairly good, the medium quality and at least some of the admittedly poorer lines. I am not just writing lines in preferred neighborhoods or fireproof sprinklered risks. I am writing whatever there is in my town that is not known to be owned by an arsonist.

"I do not expect every company to write every risk or as much on every risk as I might offer but I do have a right, I think, to feel that any company that has been in my agency for years and expects to stay in it should

go along with me in the writing of my business the record of which has been good over a long period of years. How much each company is to retain or what reinsurance arrangements it has or may make is the company's problem rather than my own.

"What I am complaining about is that many companies have practically closed the door to me and have taken the position that they are going to tell me what I will write and in what amounts. I just don't believe that proper agency relations can be continued when such a dictatorial and unyielding attitude is adopted. I can understand the companies wanting to protect themselves against the awful losses they have been having in the past two or three years. But I am saying at the same time that if these companies expect to remain in the insurance business on the basis that they have been in the past, with a good representative agency plant, then they have got to realize as they did in the past that the agency problem is their problem and that the outlet for any agent's business is with the companies he has been representing in the past.

"No agent can scramble around and make special arrangements for everything writes or that is offered to him. The underwriting, the distribution and the acceptance of such business rests with the companies and unless many of them find the proper solution for this there is going to be a considerable change in agency representation with the passing of time."—Howard J. BurrIDGE.

PERSONALS

Donald D. Baum of the Baum & Son agency of Chicago will fly to London Oct. 13 to confer with the firm's Lloyds underwriters. He expects to return in about two weeks.

DEATHS

WILLIAM W. PAGE, 41, state agent of St. Paul F.&M. at Grand Rapids, died of a heart attack while making calls at Reed City, Mich. Mr. Page joined St. Paul F.&M. in 1947 as special agent at Grand Rapids after having been with the Fred L. Gray general agency of Minneapolis. He was a former big toad of the Grand Rapids puddle of Blue Goose.

WENZEL C. KADOW, 84, retired local agent of Manitowoc, Wis., died after a long illness. He had been with Franz-Schmitz-Kadow agency since 1893, starting as office boy and becoming sole owner in 1927. His son, Stanley W., now manages the agency.

GUSTAVE H. KEHR, 75, retired special agent of Worcester Mutual Fire, died in Brooklyn.

SAMUEL H. REITER, retired secretary of American, died. He retired last Aug. 1 after 45 years of service. He served in the accounting department and later in the brokerage department

at the head office. In 1923 he became a special agent in the New Jersey field. He was made state agent for New Jersey in 1939 and in 1949 was appointed field supervisor. In 1950 he was elected an assistant secretary and the following year secretary. When he retired he was superintendent in the production division of the operations department at the head office.

STURTEVANT OVERIN, 61, founder and president of his own agency in Brooklyn and Manhattan, died of a heart attack in Brooklyn hospital. He was in the business for 40 years.

DAVID L. GOLBERGER, 31, partner in the City agency of New York, died in Glen Cove community hospital at Westbury, Long Island.

CLAUDE F. REAVES JR., Alabama state manager of Dixie Fire of Anniston, Ala., was killed in an automobile accident there.

HARRY M. SAWYER, 66, a partner in John Z. Fletcher & Associates agency of Jacksonville, Fla., died in a hospital there.

FREDERIC J. LOCKER, 58, Travelers attorney and a partner in his own law firm in New York, died of a heart ailment at his home in Rye, N. Y.

PAUL R. LOREY, 60, state agent in Ohio for North America, died at Columbus. He had been with the company for more than 25 years.

LOUIS K. FERRY, head of Edward S. Ferry & Son agency of New York, died.

OTTO P. STALLINGS, 85, founder of his own agency in Tampa, Fla., died. Active in the business for more than 50 years, he operated the agency with his son, O. M. Stallings, and grandson, O. M. Stallings Jr.

MARTIN VANDENBOSCH, 78, agent of Grand Rapids, Mich., died. He had been in insurance since 1903.

HARRY V. CARLIER, assistant secretary of Northern Assurance and past president of Insurance Advertising Conference, died after a long illness at his home in Basking Ridge, N. J. He had been with Northern Assurance since 1929 and at the time of his death was in charge of purchasing, personnel and advertising.



Harry V. Carlier

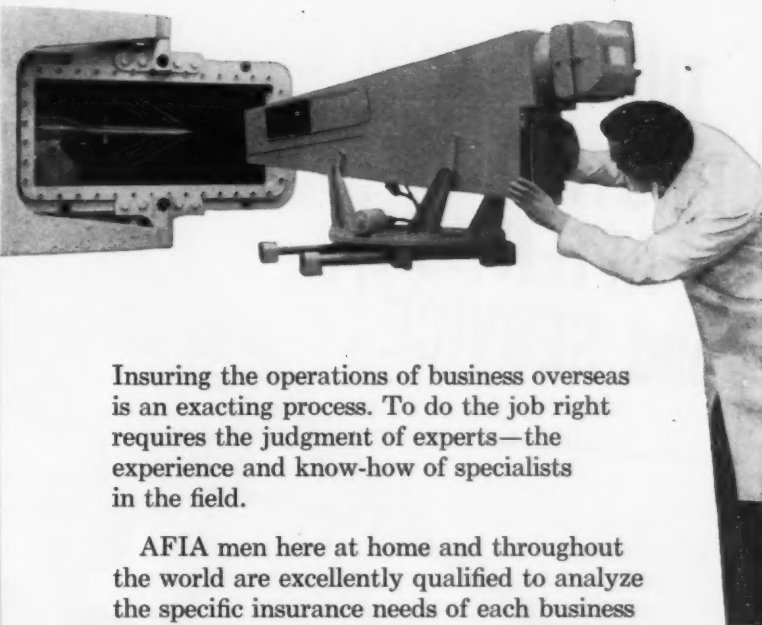
ARNOLD B. SADLER, manager of Hartford Fire's metropolitan ocean and inland marine department, died after a brief illness. He lived at East Williston, L. I. He began his career in 1908 with Chubb & Son and later joined Willcox, Peck & Hughes. He had been with the New York department of Hartford Fire since 1930, and manager of the metropolitan marine department since 1943.

WILLIAM MARSHALL BULLITT, 84, the attorney who represented the companies in the Missouri rate case, died at Norton Memorial hospital, Louisville, where he had been a heart

(CONTINUED ON PAGE 40)

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Oklahoma Mutual Agents Elect R. E. Outhier

Oklahoma Assn. of Mutual Insurance Agents at the annual meeting elected R. E. Outhier, Woodward, president to succeed Thurman R. Medley, Oklahoma City. Other officers elected were E. J. Ellis Jr. president-elect; Benjamin Kennedy 1st vice-president; Edwin H. Hood 2d vice-president; Glenn Webber secretary-treasurer, and Henry M. Auer executive secretary (reelected).

Ralph B. Williams, president of National Assn. of Mutual Insurance Agents, discussed "Putting the National Into Your Agency" at luncheon to lead off the formal program and was followed by Claude Coates, vice-president of the national association, who reviewed "The Local Agent—Is He a Merchant or a Professional Man?" William G. Street, Norfolk & Dedham Mutual, analyzed company-agent cooperation.

A short review of the new Oklahoma

insurance code opened the final day. Dr. Donald R. Childress of Oklahoma university gave a short talk and R. M. Dewey, American Manufacturers Mutual, discussed the comprehensive dwelling and homeowners policies during the morning session. After lunch, Robb B. Kelley, Employers Mutual Casualty, reviewed underwriting aspects of workmen's compensation and marketing and Dr. Richard C. Steinmetz, chief special agent of Mutual Investigating Bureau, discussed "Today's Arson Problems."

Offer Insured Warranty For Used Car Dealers

Automobile dealers will be able to sell used cars covered for one year against costs of repair or replacement of major mechanical parts by an insured warranty plan being put into effect by Universal CIT Credit Corp. The program will be administered by Car Warranty Corp., a newly organized affiliate of Universal and subsidiary of CIT Financial Corp.

Harold Bishop, former executive vice-president of Service Fire and Service Casualty, insurer affiliates of CIT Financial Corp., has been appointed president of Car Warranty Corp., which has its headquarters in New York.

The insured warranty program will be available for used passenger cars of the current year's model or any of the three preceding years, he said, explaining that when a dealer wants to guarantee a car under the plan, he has it inspected by a representative of Universal CIT or Car Warranty Corp.

"If the car passes inspection it gets a guarantee seal. The dealer pays for the inspection and certification. Buyers report claims to the dealers, who in turn report them to Car Warranty Corp., whose performance of the services guaranteed by the warranty is bonded by National Casualty of Detroit, a subsidiary of Nationwide Mutual.

The warranty specifically guarantees that the car, under normal usage, will require no repairs or replacements in the engine, standard or automatic transmission, rear axle, clutch, power or standard steering, power or standard brakes, universal joints or water pump, for one year from the date of sale.

Nebraska AR Plan Reports

Nebraska Automobile Assigned Risk Plan processed 6,146 applications during the 1956-57 fiscal year which ended last July 1, Manager Robert L. Hilton reported at the annual meeting. Of that total, 2,678 were assigned as new business, 1,883 were assigned as renewals, 1,330 were returned for correction and 238 were rejected.

Loss ratios over the three experience years 1953-1955 were 71.7 for BI and 63.3 for PDL, Mr. Hilton said. In 1955 the BI ratio was 49.8 and the PDL ratio was 63.2.

Elected at the meeting to serve on the governing committee were: Maryland Casualty representing National Bureau of Casualty Underwriters; Iowa National Mutual representing Mutual Insurance Rating Bureau; State Automobile & Casualty Underwriters representing National Assn. of Independent Insurers, St. Paul F&M representing all other stock insurers, and Employers Mutual Casualty representing all other non-stock insurers.

Four Cal. Local Boards Elect

Four local associations in California have elected officers. They are:

Hemet: N. W. Albright president and Arthur Hamilton secretary-treasurer.

Oakland: Donald M. Jones president and John Kennedy secretary-treasurer.

Riverside-San Bernardino: A. Ernest Berkheimer president; Kenneth Wadsworth vice-president, and Ruth Howland secretary-treasurer.

Sonoma County: Lee Osten president; Vern Jensen vice-president, and M. A. Reading secretary-treasurer.

Neal L. Hawley, special agent of Crum & Forster, discussed homeowners' and comprehensive dwelling policies at the September meeting of Dodge County Assn. of Insurance Agents at Mayville, Wis.

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and SERVICE**



Your clients will want to know about the advantages of the "overall" protection of the dwelling package policies.

Follow through on the momentum of the country-wide radio and T.V. "Be Fully Insured" campaign. Tell them about the convenience and security and sell them the one policy that gives them broad protection against—Fire—Theft—Windstorm—Other Perils and Comprehensive Personal Liability.

We will supply the sales aids—you supply the attention and service—and, in common effort, your premium dollars will grow.



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THE BRITISH AMERICA ASSURANCE CO., U. S. Branch Incorporated 1833

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Cal. Adjusters Elect Thompson, Hear Talks On Sonic Boom Losses

C. C. Thompson, Oakland, was elected president of California Assn. of Independent Insurance Adjusters at the closing session of the annual meeting last week in San Francisco. M. A. Seeger, San Diego, is 1st vice-president; I. Bruce Murray, Bakersfield, 2nd vice-president, and W. C. Frost, San Francisco, secretary-treasurer.

A panel discussion of company claim executives and adjusters reviewed the development of the Available Garage Plan for handling material damage automobile claims. The plan was set up 10 years ago by Automobile General Adjusters Assn. with a majority of the major repair shops in California co-operating. The panel said the plan has developed a new sequence estimate form which the shops have adopted and which most company adjusters as well as independents have approved.

E. O. Scharetg, advertising and public relations manager of Fireman's Fund, described in his talk how independent adjusters can participate in promoting a better understanding of insurance. William Moore, James & Moore, discussed the problems of oil settlement from technical aspects, and George Washington, a structural engineer, discussed ground settlement and its effect on structures. J. R. Maloney, former commissioner now practicing law in San Francisco, reviewed recent California legislation as it affects adjusters.

Sonic booms cannot be expected to produce any serious insurance losses and there is considerable doubt as to the validity of claims that have been filed with insurers following such booms in various parts of California the past few months. Col. Raymond E. Evans, commander of the 83rd fighter squadron at Hamilton air base, and Howard Chadd, claims superintendent of Commercial Union-Ocean group, declared in their discussions.

Col. Evans explained the causes for sonic booms and said it is the policy of the air force to pay reasonable damages for any authentic damage; but he described continuing tests and research activities which have produced the opinion that "on the whole" there is little danger of damage from sonic booms—most of it is to glass. He mentioned one claim in which investigation revealed that the damaged glass was already loose and the same result could have been accomplished by slamming a door.

Mr. Chadd said sonic boom claims may be expected to continue, but they will be of doubtful character. It will be up to adjusters and companies as to how they should be handled, but he suggested they be "approached cautiously."

Col. Evans said sonic booms, like thunder, cause some fright and confusion. When people hear them they

believe something has been damaged and look for trouble. Damage is often found, but it is frequently that which has been in existence for some time. Sonic booms, the colonel said, cannot crack concrete, plaster, foundations or cause any other structural damage.

Kemper Names Landolt In N. Y.

Kemper group has appointed Rudolph F. Landolt claim manager at Newburgh, N.Y. He has been with the group since 1949 and has been claim supervisor at Philadelphia since 1953.

Reeder Transferred By Fireman's Fund, Carmick Promoted

Fireman's Fund has transferred Assistant Secretary Robert C. Reeder Jr., associate manager of bond and burglary in the New York metropolitan branch, to succeed R. W. Stewart as manager of bond and burglary in the eastern department. Mr. Stewart has been appointed eastern department educational coordinator.

With the transfer of Mr. Reeder,

Thomas T. Carmick, also an associate manager of bond and burglary in the New York metropolitan branch, is advanced to manager.

Danbury (Conn.) Agents Elect

Danbury (Conn.) Assn. of Insurance Agents has elected J. Henry Brett president. He succeeds Robert J. Johnson. Harry W. Hoyt was named vice-president, James A. Morrow secretary, and F. Guthrie Sands treasurer. Veteran Danbury agent Howard H. Davis was tendered a gift marking his 50th year in the business at the election meeting.



Manager Norman Ovitt and Secretary Lois L. May

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and we don't have to
apologize for the price."**

says NORMAN L. OVITT, Manager
Tovey Insurance Agency
Dillon, Montana

"After we turned to the GENERAL, it didn't take us long to find out how much *more* business we could get...and handle!

"Our two-person agency used to be swamped with bookwork; we were busy without having too much business. Now with SAFECO automobile insurance and General's unsurpassed Farmers Liability, Householder's Ultra and Business Liability policies, we're away out front of the competition.

"The best insurance for our customers is the best insurance for us. SAFECO and GENERAL are mighty near untouchable by our competitors!"



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FIELD

O'Connell Is Boston Claims Manager Of Aetna Fire Group

Aetna Fire has promoted William H. O'Connell to claims division manager at Boston. He succeeds Thomas E. Steele, who has retired to the reserve force.

Mr. O'Connell joined the group in 1935. Serving first as an underwriter, he transferred into claims as an adjuster in 1937. He was appointed claim supervisor in 1942 and assistant manager of the Boston claims division in 1953.

Mr. Steele went to Aetna Fire as assistant manager of the claims division at Boston in 1940 and was advanced to manager at the close of 1953.

Indiana Pond Names Polsz MLG To Succeed Wilder

Walter H. Polsz, Trinity-Universal, was elected most loyal gander at the fall meeting of Indiana pond of Blue Goose to fill the vacancy created when George Wilder, Home, was transferred to Virginia. Mr. Wilder had been elected most loyal gander at the annual meeting in June.

Several years ago, Mr. Polsz, served in the various offices of the Blue Goose up through supervisor. At that point, he left insurance, but has since re-entered it.

Other officers of Indiana pond are H. W. Montgomery, W. P. Ray Co., supervisor; H. B. Skelton, Rough Notes Co., custodian; Glenn A. Gleason, Underwriters Adjustment Co., guardian; Ray J. Geringer, American States, keeper, and Robert E. Aurelius, St. Paul F&M., wielder.

National Union Names State Agents in Wis., Neb.

William B. Powers and Lester L. Christensen have joined National Union as state agents, Mr. Powers at Milwaukee and Mr. Christensen at Omaha.

Mr. Powers will travel Wisconsin, succeeding George Kurtz, who has been transferred to the home office. He will be associated with Richard A. Ward, special agent. He was with Providence Washington in the Wisconsin field and before that with American Auto.

Mr. Christensen replaces Frank Whitford in the Nebraska territory. Mr. Whitford is going into an agency at Denver. Mr. Christensen has been in Nebraska with American.

Fire Association Names Sanfilippo, Brown In Cal.

Fire Association has appointed Roy J. Sanfilippo and Arthur Brown Jr. casualty field representatives in California. Mr. Sanfilippo will service the south coast territory, with headquarters in San Jose, and Mr. Brown will service the Sacramento valley territory from Sacramento.

North British Appoints David O'Brien In Ohio

North British has appointed David V. O'Brien a special agent in Ohio. He will be associated with W. A. Gibson Jr., regional manager, in headquarters at Cincinnati.

Kan. Field Men Hear Butler

Seventy-five members of Kansas Fire Underwriters Assn. had their first fall meeting Oct. 2 at Topeka. Ben M. Butler, general manager of Western

Adjustment, was speaker. Plans were made for the group to have 12 zone public relations meetings during the year.

Dickehut Is State Agent Of Phoenix Of Hartford

Phoenix of Hartford has promoted Frank Y. Dickehut to state agent in south Texas, with headquarters at Houston. Formerly a special agent in southwest Texas, he is succeeded in that field by Charles D. Winter Jr. Mr. Winter has been special agent in north Texas, where he is replaced by Gerald E. Thuemler.

The group also has appointed Raymond E. Manchester special agent at New Orleans, where he will be on staff of Garner J. Knoepfler, district office manager. He joined Phoenix of Hartford last year and has been training in the home office.

Hartford Accident Names Mott In Northwest N. Y.

Hartford Accident has appointed James S. Mott special agent at Glens Falls, N.Y., succeeding Robert L. Eddy, who has been named assistant manager at Buffalo. The Glens Falls territory is bounded roughly by Albany, Plattsburgh, Amsterdam, Gloversville and the Vermont state line.

Prior to joining Hartford Accident, Mr. Mott was a special agent of Aetna Fire group in central New York for 10 years.

Wenners Joins Phoenix Of Conn. In N. H. And Vt.

Phoenix of Hartford has appointed Vincent A. Wenners state agent in New Hampshire and Vermont. He will handle casualty and bonding operations associated with State Agent Robert Schmid, with headquarters at Manchester. Mr. Wenners formerly was a special agent of National of Hartford in New Hampshire and Vermont.

Hanover Names Whitt State Agent In Tenn.

Hanover has appointed Raymond F. Whitt Jr. state agent in middle and west Tennessee. He formerly traveled the Tennessee field as a special agent of Home. He also has had experience with Tennessee Inspection Bureau. He will make his headquarters at Nashville.

Cook Bond Special Agent Of American At Boston

American group has appointed Paul C. Cook Jr. special agent in the bond department at Boston. For six years he has been with Fidelity & Deposit, most recently as special agent in the Boston area.

Appoint Ohio Special Agent Of Camden Fire

Camden Fire has appointed Harry C. Wetekam Jr. a special agent in Ohio. He will be associated with Regional supervisor Shirley B. Lawrence in Cincinnati.

Kean To Conn. Field

New York Underwriters has transferred Boyd M. Kean out of the home office where he has been training and appointed him special agent in Connecticut. He will assist State Agent Arthur G. Tyrol, with headquarters at Hartford.

Ind. Field Men Elect W. J. Welsh

Indiana Fire Underwriters Assn. has elected William J. Welsh Jr., Springfield F&M., to the executive committee.

Alamo Field Club of San Antonio will inspect Pleasanton Oct. 23.

A & S

Blue Cross Seeks 40% Rate Increase In N. Y. For 1958

Associated Hospital Service of New York (Blue Cross) has applied to the New York department for a 40% increase in premium rates, effective in early 1958. The boost would add \$40 million to the plan's 1956 premium income of \$111,604,606.

A hearing probably will be held this month. A hearing officer and date have not been selected yet.

Blue Cross said its loss from operations in 1956 was \$2,719,542, and this loss had increased at a faster rate by June 30 of this year. Unassigned surplus had dropped from \$30,670,521 on Dec. 31 to \$22,047,890 on June 30, when total surplus per subscriber was \$7.63 compared with \$9.19 a year before, Blue Cross said.

Harold Faggen, New York welfare and insurance fund consultant to labor and management groups, opposes the Blue Cross request. He says Blue Cross, by slightly altered bookkeeping, could show a net profit of \$2 million instead of a loss for 1956. He says Blue Cross has misrepresented its hospital payments and benefits and spent too much for executive salaries and advertising.

Blue Cross contends its salaries and advertising expenditures were modest for the size of the organization and number of subscribers.

Labor and welfare groups also are expected to oppose increased rates. United Medical Service of New York (Blue Shield) has not announced any plans for a rate increase at this time.

Md. A&S Underwriters Elect Weigel President

Maryland Assn. of Accident & Health Underwriters elected George S. Weigel of Prudential president at the fall meeting in Baltimore. Named vice-presidents were Vito A. Marino of Metropolitan Life, and Robert B. Hogan of Paul Revere Life.

Other officers are F. D. Scudder, Commonwealth Mutual, secretary, and Charles Cooper, Washington National, treasurer.

Speaker was Milton E. Ormerod, regional sales manager of Continental Casualty.

Voss Talks To Milwaukee A&S Men; Slates State Sales Caravan

MILWAUKEE.—E. W. Voss, Milwaukee manager for North American Life of Chicago, spoke on "The Future Is a Challenge" at the October luncheon meeting of Milwaukee A&S Underwriters. In addition to building a successful agency in the last 11 years, he has taught LUTC classes for three years.

President John J. Frey, Prudential, announced that a Wisconsin sales congress caravan would be in Madison Oct. 28; Fond du Lac and Green Bay, Nov. 4; Eau Claire and Wausau, Nov. 11. Hugh G. Raymond, Massachusetts Protective, Madison, state president, will be accompanied by Dale Potts, Wisconsin Casualty Assn., S. L. Horman, Time, Alfred Perego, Perego Agency, and Leo Packard, Packard-Carson agency, all of Milwaukee. Other state officers and directors also will participate.

West Wis. A&S Men Start Season
GALESVILLE, WIS.—Stanley Peterson, Business Men's Assurance, La Crosse, new president of Western Wisconsin A&H Underwriters Assn., con-

ducted the first fall meeting here. Other officers of the group are Mrs. L. E. Danuser, Illinois Mutual Casualty, Galesville, vice-president, and Newland Twesme, Woodmen Accident & Life, Ettrick, secretary-treasurer.

Discuss Life, A&H Problems At Chicago Claim Assn.

Lee Wilks, vice-president of Lincoln National Life and president of International Claim Assn., addressed the October meeting of Chicago Claim Assn., and introduced a panel covering some problems handled at the life, individual A&H and group A&H seminar at the international meeting. Kenneth Merley, Federal Life, discussed life problems; Elmer Rasmussen, Continental Casualty, individual A&H, and Kenneth Barrows, Bankers Life of Iowa, group A&H.

The executive committee announced the election of Kenneth C. Berry, Lumbermens Mutual Casualty, as president, to succeed Ralph M. Martin, who resigned because of a possible territory change. Committee appointments for the year were also announced at the meeting.

Toledo Blue Cross Rates Up

The Blue Cross plan at Toledo has been granted a 10% increase in price by the Ohio department. Certain benefit changes are made part of the increased rate, such as inclusion of nervous, mental and tuberculosis patients for 31 days a year with a 12-month qualification period for an additional 31 days; care for newborn children when the mother is in the hospital and classification of children as subscribers when the mother leaves the hospital.

For Bigger Advisory Group

Meeting in Indianapolis recently, the Indiana legislative committee investigating hospitalization insurance in the state accepted the membership of an advisory committee, appointed at its request by the Indiana A&H Assn. However, it requested the addition of two more members to give out-of-state companies greater representation.

While the association has not as yet officially announced the names of the two additional members, it is thought the posts will be offered to James Barbour, general agent, Continental Assurance, association president, and Robert Monroe, group manager, Great-West Life, both of Indianapolis.

East Wis. Assn. Hears Collien

Eastern Wisconsin A&H Underwriters Assn., meeting at Fond Du Lac, heard a talk by Robert A. Collien, secretary-treasurer of First National Casualty, on agent-company relations.

The Chicago office of Corroon & Reynolds has moved to larger quarters in room 1215 Insurance Exchange building.

Handbook Of Chicago, Cook County Published

A new Underwriters Handbook of Chicago and Cook County has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance in all of Cook County. Special features include a complete list of brokers, sub-agents and real estate agents acting as brokers together with their license numbers and also a list of suburban agents. Copies may be obtained from the National Underwriter Co., at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

Study Of Handling Of Cooney Matter Hews To Political Lines

The report of New Jersey law enforcement council's investigation into the handling of the John R. Cooney matter by the insurance department and the attorney general's office has been published.

The majority report, signed by the Republican members of the council, is strongly critical of the way the two state officials dealt with the alleged misappropriation of funds from Firemen's by its then president, Mr. Cooney. The minority report, signed by the Democratic members of the council, upholds the conduct of the two officials, as did a special study of the evidence in the case by Edwin W. Patterson, retired professor of law at Columbia university.

As was predicted, the reports are being used in the current election campaigns of Gov. Meyner, a Democrat, and his Republican opponent.

The majority report of the council criticizes the long delay of the insurance department in referring the Cooney manipulations of Firemen's petty cash fund for criminal prosecution, and failure of the attorney general to refer it to the Essex county prosecutor. The report contends it was the insurance department's policy to keep evidence of crimes from the public. Commissioner Howell and his staff are charged with dereliction of duty in not acting on evidence of alleged embezzlement and in permitting Mr. Cooney to remain in Firemen's as president for more than a year after "his admissions of fraud became known."

The majority report recommends

Ill. Field Association To Mark Its 75th Birthday Nov. 18

Illinois Fire Underwriters Assn. will celebrate its 75th anniversary Nov. 18 at a meeting in the La Salle hotel, Chicago. The program will include dramatic skits depicting events in the history of the organization, an address by George B. Whitford, vice-president of Fire Association, and a banquet.

IFUA was originally organized as the Illinois State Board of Fire Underwriters at a gathering of field men in Springfield on Feb. 16, 1882. J. M. Hosford, Home, was the first president; B. T. Wise, Phoenix of Brooklyn, was vice-president, and Robert Zener, Springfield F&M, was secretary.

The name was changed to Illinois Fire Underwriters Assn. in October, 1929. The present membership is 237 and honorary membership is 76.

legislation making it a misdemeanor for the attorney general knowingly to withhold evidence of crime from county prosecutors. It also recommends legislation to require the insurance commissioner to adopt regulations prescribing that directors of insurers under department supervision establish an internal audit committee. The function of this committee would be to make periodic internal audits and report on them directly to directors.

The minority report emphasizes that there was no cover-up or secrecy by state officials, there was no unwarranted delay by them, and while there was delay in taking action in connection with Mr. Cooney's alleged speculations, there were for a long time suspicions by the New Jersey and New York departments but no proof of them.

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CPCUs Elect Myers At New York Convention

(CONTINUED FROM PAGE 1)

ager of American group, for the western district.

About 1,000 attended the convention, and there was a considerable number of wives represented in the registration. One of the high points was the national conferment of the CPCU designation on 267 persons from 103 cities. More than 100 designees attended this luncheon. Dean Harry J. Loman of American Institute administered the

CPCU charge. A. Leslie Leonard of the school of insurance of Insurance Society of New York presided at the luncheon. Eugene A. Toale of Home was general chairman of the convention.

Another feature was a discussion of fire and casualty insurer practices in recruiting, training and management development, which is treated separately.

Holgar J. Johnson, president of Institute of Life Insurance, discussed public relations in the insurance business at the conferment luncheon. He emphasized that every business has relations with the public, good or bad, but if they are to be good, conscious effort has to be exerted to make them so.

The small businessman and entrepreneur has a greater opportunity today than ever before, due to the increased complexity of both business and family money management, he

suggested. However, this imposes on the small business increased responsibility to become more professional and efficient as the public increasingly demands a high degree of performance, Mr. Johnson told agents and insurance men.

The very complexity of business today means that the business, large or small, corporate or individual, must become more proficient technically and its representatives more and more professional in their attitudes and performance. The relationships between families and business have assumed a national scope and are no longer purely local due to the mobility of labor and management groups, he said. The greatly changed picture of family financing, compared with past generations, has made professional counsel from those serving families of greater importance than it used to be. In spite of an increased importance of corporate effort, the role of the entrepreneur and the small businessman has grown materially. The areas in which he serves are becoming more and more his exclusively and areas in which he has unlimited opportunity.

What the American agency system needs is the establishment of rigorous professional standards, Ingolf H. E. Otto, Kansas City general agent, said in his talk before the society. This includes "limitation of access" somewhat like American Medical Assn., he believes.

Every meeting of agents brings out anew the fact that the agency system is in trouble, Mr. Otto said. The causes of the present dilemma have been variously stated, but not in terms of methodical economic analysis. Since the agency system is an analogue of monopolistic competition, he stated, a statement of the economic activity of agencies in terms of monopolistic competition theory is appropriate. There is a tendency for the profits of an agent to decline to nothing, giving unlimited access to the business.

He cited the degrading effect of unlimited access on other professional and quasi-professional occupations. The agents can solve this dilemma as other groups have successfully done by becoming professional, establishing professional standards, adopting and enforcing a code of ethics and limiting access to the business.

Current Federal Trade Commission efforts to regulate advertising of A&S companies should not be regarded by other parts of the business as a minor development of little practical interest, Alice M. Chellberg, assistant secretary of American Mutual Insurance Alliance, said in her talk. Upholding of these efforts by the Supreme Court could jeopardize the whole existing system of exclusive regulation of insurance by the states, which Congress authorized in public law 15, she said.

If the FTC act applies to insurance regardless of the existence or absence of state law, so does the Sherman act, she added. It was recognized before public law 15 that there was a direct conflict between existing state insurance laws and practices and the Sherman act, particularly in rate making. It was apparent that there could not be concurrent state-federal regulation in these areas because what was required, authorized or permitted under state laws would constitute illegal price fixing under the Sherman act. It should be obvious that to resolve this conflict that Congress exempted insurance from application of the Sherman act except for boycott, coercion and intimidation, she stated.

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Here is a typical example, one of many from our loss files, illustrating the tragedy of *under-insurance*.

loss to insured—Recently, a ten-room home and all of its contents was completely destroyed by fire. The sound value of the dwelling at time of loss was estimated at \$37,500. Estimated value of contents was \$29,740. Total value—\$67,240. Insurance on dwelling and contents—\$35,000. The claim was promptly honored and paid *but*—the client still suffered a personal loss of \$32,240 because the dwelling and contents were not insured to *full value*,

loss to agent—Commission on \$32,240 of needed insurance.

Satisfaction of knowing client was insured to *full value*.

Increase your circle of satisfied clients—and your commission income — by making certain every client and prospect in your community knows the value of FULL Insurance to Value.

Ask our Advertising Department for advertising folders and suggested sales letters that will help you sell homeowners and tenants on the need for FULL Insurance to Value.

Larson Restricts Fla. Auto Club Insuring

Implementing legislation affecting automobile clubs passed this year, Commissioner Larson of Florida has promulgated and made effective Oct. 1 eight rules for the clubs and their insurance operations. They are:

1. Any person affected by the act may be held untrustworthy by the commissioner if he has been convicted of a felony and has not had his civil rights restored. Mr. Larson said this rule does not preclude finding a person untrustworthy for other reasons at his discretion.
2. Salesmen are not to imply that the club or association is an insurance company or a subsidiary of an insurer.
3. Officials of the club or salesmen cannot solicit, negotiate, or in any way effect contracts of insurance or refer insurance to any agent unless all the requirements and provisions of the insurance laws have been complied with.
4. Any registered salesman who appoints anyone not registered as a salesman to solicit business in his behalf is violating the rules and regulations.
5. No automobile club or association shall knowingly register a salesman whose insurance license has been suspended or revoked by the commissioner.
6. Any membership card, personal accident policy or certificate or other evidence of membership must be approved by the commissioner.
7. When the club or association terminates the registration of a salesman, they are to file with the termination notice the date of termination and the reason for it, with the commissioner.
8. All policies or certificates issued as part of the membership of an automobile club or association is to contain in bold face print or stamp, in a conspicuous place, the legend: "This is NOT a liability policy and does NOT comply with any Financial Responsibility Law." If no policy or certificate is issued the legend shall appear on the membership card.

Miss. Coast Underwriters Honor Past President

Mississippi Coast Underwriters Assn., at its annual fall outing, awarded Owen T. Palmer Sr. a citation in recognition of his service to the insuring public, stock fire and casualty insurance, and the agency system. Mr. Palmer, a Gulfport agent, is past president of the association, and past president of Mississippi Assn. of Insurance Agents. He has been in the business 50 years. T. L. DeLashmet Jr. of Moss Point, president of the coast group, presented the citation.

Special guests at the outing included Robert Brannin of Starkville, president, and Clant M. Seay of Jackson, manager, of Mississippi Assn. of Insurance Agents.

Casualty Actuaries Issue Annual Proceedings

Casualty Actuarial Society has published its 43rd annual volume of *Proceedings*, containing a number of informative and timely papers of particular interest to insurance people and state officials. Copies are available at \$8 each from the Secretary-Treasurer, Casualty Actuarial Society, 200 Fourth avenue, New York 3.

List Schedule For Insurance Forum

Iowa Fire Underwriters Assn. will conduct its third annual series of insurance forums Oct. 22-Nov. 15. The commercial property floater, agency

management, farm survey and rating plan, family auto policy, and capital stock services will be discussed.

Meetings are scheduled as follows: Oct. 22 Council Bluffs; Oct. 23 Sioux City; Oct. 24 Spencer; Oct. 25 Fort Dodge; Oct. 29 Mason City; Oct. 30 Waterloo; Oct. 31 Iowa City; Nov. 1 Ottumwa, and Nov. 15 Des Moines.

Md. Agents Hear Herndon

Lobbyists and lobbying was the subject of a talk given by Maurice Herndon, NAIA Washington representative, at a dinner meeting of Montgomery-

Prince Georges (Md.) Insurance Agents Assn. He explained why it is necessary for a technical business such as insurance to have lobbyists to advise Congress, federal and state officials about matters of which they lack expert knowledge.

New York Board, continuing a practice followed since the competition was originated in 1920, provided the medals Mayor Wagner and Fire Commissioner Cavanaugh awarded to 328 elementary and junior high school children for the best essays written on the subject of "The Fire Safe Home."

N. Y. Department Will Move Its NYC Offices

The New York department will move its New York City offices from 61 Broadway to 123 William street, New York 38, beginning Friday evening, Oct. 25. The move will be completed by Monday morning, Oct. 28.

The move will be made in this manner so that the business of the department can continue without letup, and the public and insurance industry be served without interruption.

"Unforeseen events . . . need not change and shape the course of man's affairs"



You know where to turn

Travel North, East, South or West . . . when you're insured with Maryland Casualty Company, you always know where to turn for assistance in time of trouble. Wherever you go, local independent agents representing the Company are ready to give you all possible help.

No matter what your difficulty—auto crash, personal accident, hold-up—one of these representatives will give you the same conscientious

service as would the Maryland agent or broker in your home community who provided you with your insurance protection.

Supporting this service are Claim Offices in strategic locations, available around the clock to take care of your needs when a loss occurs.

Remember: *because the Maryland agent knows his business, it's good business for you to know him.**

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Economics Society Elects Paul Watt To Succeed McCord

CHICAGO—Paul W. Watt, president of the Washington National, was elected president of Insurance Economics Society at its 15th annual meeting this week at the Edgewater Beach hotel.

Mr. Watt, who has been with Washington National since 1930, and has served on various committees of organizations devoted to the develop-



E. H. O'Connor



E. A. McCord

ment of life and A&S insurance, on accepting the office referred to the 15 years of constructive work performed by the society, particularly its vigorous legislative fight against compulsory sickness insurance proposals at both the state and federal levels. "Over the years," he said, "the society has not only compiled a worthwhile record legislatively but at the same time has been a source of creating good public relations for the business."

The retiring president, E. A. McCord, president, Illinois Mutual Casualty, in opening the meeting gave in detail his observations of the work performed by the society during his term of office and paid tribute to the successful achievements of the organization over the years under its managing director, E. H. O'Connor.

Before a well attended meeting Mr. O'Connor reviewed the 1957 legislative developments and reported on the successful disposition of 19 compulsory cash sickness bills introduced in nine states. He emphasized the point that "no state has adopted a compulsory cash sickness plan since 1949 although since that time 167 such bills have been introduced in 19 states."

MacFarland Tells Forms To Use On Dwelling Risks

John G. MacFarland, vice-president and western manager of National Union at Chicago, has sent a letter to agents stressing the need for insurance to value and recommending forms to be used in writing dwelling risks.

Noting the trend to conversion of fire and extended coverage policies to broad form dwelling coverages on expiration, the letter states that although reasonably good insurance to value is obtained under the homeowners and comprehensive dwelling forms, risks which are written for "rather modest amounts" on either the broad dwelling form 49D (Cook county 29D) or all physical loss form 49S (Cook county 29S) are generally unsatisfactory.

While poor physical conditions or low insurance to value contribute to the undesirability of such risks, Mr. MacFarland said, these two forms provide for the full cost of repairs when the cost is both less than \$1,000 and less than 5% of the whole amount of insurance applicable to the building. The company therefore finds itself replacing new for old in most of the small to medium-size claims, even though insured does not have 80% insurance to value.

On this basis, Mr. MacFarland recommends that:

Where the dwelling is in good repair and less than \$5,000 coverage is required to meet good insurance to value, fire and extended coverage form 49 (Cook county 29) should be used.

Where from \$5,000 to \$8,000 coverage is needed for insurance to value, either form 49 (29) or broad form 49D (Cook county 29D) should be used.

Form 49D (29D), 49S (29S), comprehensive dwelling or homeowners policies may be used whenever the amount of insurance is \$8,000 or more, except for the homeowners C, in which it must be \$15,000 or more.

Mr. O'Connor then gave an outline of the problems ahead in 1958 both in Congress and in the states.

The meeting closed with the election of the officers recommended by a nominating committee consisting of O. D. Sanford, president, Northwestern Life; H. Smith Hagen, president, Midland National Life, and W. G. Alpaugh Jr., president, Inter-Ocean. The officers are: Theo. P. Beasley, president, Republic National Life, 1st vice-president; W. J. Hamrick, agency vice-president, Gulf Life, 2nd vice-president and H. O. Fishback Jr., vice-president, Northern Life, secretary. Elected to the executive committee for terms of three years were: Edwin W. Craig, chairman, National L&A.; John T. Acree Jr., president, Lincoln Income Life; James E. Powell, vice-president, Provident L&A.; Frank S. Vanderbrouk, president, Monarch Life of Massachusetts, and Mr. McCord.

R. C. Waterman Succeeds Father As President Of State Auto Of Des Moines

R. C. Waterman has been elected president of State Automobile & Casualty Underwriters of Des Moines to succeed his late father, Mark C. Waterman. R. C. Waterman started with the company as head of the legal department in 1937, became manager of the A&S department in 1942, associate agency manager in 1947, and agency manager in 1949.

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Hatch Comments On Problems Of WC

H. A. Hatch, president of Argonaut of California, addressing the southern California insurance buyers conference of last month, reviewed some of the problems of the workmen's compensation business and commented on the outlook.

One of the most disturbing aspects of the business, he said, is the "constant efforts" on the part of the industrial accident commission, supported by the courts, to legislate by judicial decision, to change WC scope and coverage by court decision over what has been previously determined. He mentioned as an example that injuries arising out of horseplay by employees for many years were not considered a responsibility of the employer in that they did not arise out of employment. This was defined by the state supreme court, but more recently the supreme court held for an employee in a case of this kind and henceforth such injuries will be considered compensable, although the legislature has not changed the law in the slightest.

Injuries sustained while going to or from work have always been considered non-compensable unless the employer furnished direction and controlled the means of transportation, but Mr. Hatch noted that recently a series of decisions are opening the doors for these claims.

Cardiac cases, he said, are of "tremendous importance." Seldom, if ever, is a cardiac involvement produced by an activity of the employment, but from determination of the causes, an employee is entitled to compensation whenever his condition is aggravated by employment even though a normal man would not have been adversely affected by the same circumstances. This is true even if it is shown that the cardiac would eventually have died from his disease regardless of employment, if the industrial commission finds that employment merely hastened death or disability.

Mr. Hatch commented that it is to be hoped that the increase in non-industrial medical benefits coverage making medical service and some disability benefits more generally available may to some extent stem the tide of "health" claims being pressed under WC. However, he remarked, he does not look too hopefully in that direction, because compensation benefits with their unlimited medical expense are most attractive.

For the future, he said he sees a continuation of circumstances simi-

lar to those existing: Labor will continue to press for increased benefits, this being one way in which the labor delegate can demonstrate to his members an accomplishment of direct benefit without apparent cost to the union member. Labor is becoming better organized and more intelligent, particularly in their presentations to the legislature, Mr. Hatch observed. Employers at the same time are losing, rather than gaining, in dealing with the legislative process.

Insurers have little influence with the legislature when it comes to benefit changes, he said. Employers' associations must take over the defense against unwarranted benefit increases in the future.

Further rate increases possibly can be offset by increased payrolls and particularly by increased rates paid, but Mr. Hatch cautioned that increased pay rates now are largely being accomplished by fringe benefits which do not show up on the payroll. Adjustments of benefits thus far has done little more than keep pace with the inflationary cycle and the take home dollars of the employee have not progressed greatly. It is his observation, Mr. Hatch said, that there is a change in the employer group and that most successful business institutions are managed by men who are sympathetic with the liberal administration of the benefit programs for their employees.

Ky. Puts Restrictions On Assn. Group Cover

Commissioner Thurman of Kentucky has sent a notice to all insurers that no preferential rate treatment to groups will be allowed unless the form, plan or policy and its rates or premiums have been submitted to and approved by the department. Accident and health insurance is excluded from this ruling.

Subsidence Talk At L.A.

Milford Bliss Jr., senior grading inspector of Los Angeles, addressing a meeting of Southern California Fire Underwriters Assn. on landslides and earth movement damages to dwellings, pointed out that within the Los Angeles city limits approximately 60% of the area is hilly and only 10% of it is developed. Lack of sufficient storm drains, incorrect planning and incorrect construction are responsible for most flood damage, he said, adding that 2½ million policies of insurance are necessary if the situation is to be met.

Los Angeles has the worst geological situation of any part of California, he said, but the city is attempting to remedy the situation by grading the land and trying to get houses built at a safe distance from hillsides.

Stuyvesant Enters Reinsurance Field

Stuyvesant is entering the casualty and fire reinsurance field. An office has been opened at 309 West Jackson boulevard, Chicago, to handle reinsurance through brokers and intermediaries.

Stuyvesant has its executive offices

at Allentown, Pa. The company is 107 years old.

Mutual Institute To Convene

Mutual Insurance Institute, the course for buyers sponsored by the Kemper companies, will be conducted Oct. 14-26 at Chicago. Anticipated attendance is 36 buyers from 19 states. They will take a two-week course concentrating in casualty coverages.

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Studies Show Insurers Behind In Manpower Race

(CONTINUED FROM PAGE 2)

not have a product but only manpower.

College placement bureaus were asked what percentage of college graduates go into fire and casualty insurance. Those that answered indicated that 2.4% of the graduating class goes into fire and casualty, 3.4% goes into life insurance, 3.8% into banking, 5.7% into petroleum and 8.9% into merchandising. Of 61 placement di-

rectors asked, 48 indicated they felt life companies were getting their fair share of the college graduates. Only 13 felt fire and casualty companies were getting their share.

How can the fire and casualty companies improve the share of future management manpower they get from colleges? One way is to use personnel specialists, Mr. Pachner suggested. Another is to increase starting sal-

aries. Fire and casualty starting salaries are \$3,800 to \$4,600 a year, which is \$650 too low at the bottom and \$2,800 too low at the top judged by other fields, he said. The starting salary is an inducement, subsequent salaries are even more important as incentives.

Also, he said, improve the literature being sent to placement offices and college classrooms. This literature should be of two types—generally descriptive of the opportunities in the fire and casualty business, and specifically descriptive of the opportunities in the companies that are recruiting. Films have proved very successful. Fire and casualty companies can also improve their follow-up.

In public relations, he said, the business needs to sell itself and pre-condition college men to want to enter it. Fire and casualty insurance is not popular on the campuses where a low and erroneous notion of what the business is prevails. How do this? He suggested the use of professional public relations firms. Perhaps there should be a group effort of some kind. Advertisements in college papers are very effective and inexpensive, scholarships could be established, films used, and training and recruiting efforts by individual companies stepped up.

What do fire and casualty insurance do with employees once they get them? Mr. Guess asked. He defined education as the imparting of information and suggested that it be kept separate in management's thinking from training, which is the imparting of skills. Education supplies the tools, training teaches the skillful use of those tools. He also advised against dignifying "informal" training programs by any name at all. Also, there should be a clear demarcation between supervisory and executive training.

He pointed out that the investigation by the CPCUs had developed information that showed how property and casualty companies compare with (1) life companies, (2) banks, and (3)

commercial and manufacturing concerns, with respect to formal training.

This comparison was made on seven points. As nearly as the CPCUs could determine, 61% of property and casualty companies have a formal training program for college graduates, 27% have a formal training program for male non-college graduates; 10% have a training program for female non-college graduates; the formal training programs on the average last 16 months; 49% of the fire and casualty companies have a full time educational director, and 60% of them have classroom work in their formal training program.

On these six points the life companies present the following situation: 60%, 13%, 6%, 10 months, 44%, and 66%. Banks have a score of 75%, 8%, 0%, 30 months, 17% and 33%. Commercial and manufacturing concerns have a score of 67%, 46%, 46%, 16 months, 92%, and 89%.

Whether the formal training program included on job rotation was also checked. The fire and casualty companies showed 75% did, 50% of the life companies, 83% of the banks, and 72% of the commercial and industrial firms did.

Why don't the fire and casualty firms train the non-college graduate to a larger extent than the figures indicate? Is it worth the trouble? Mr. Guess said it seems so. One big complaint in the fire and casualty business is that small errors break work continuity and require correction and redoing. This might be due to non-training, he suggested. The fire and casualty business is also on the low side with respect to the training of female non-college graduates.

While the investigation did not include questions about formal training programs for older employees and dealt exclusively with new employees, Mr. Guess said he doesn't think that 1% of the insurers have a formal training program for supervisory personnel, though other businesses do have, some of them exceptionally fine programs. Supervisory training in fire and casualty insurers apparently is done largely by trial and error. He said that one insurer executive once observed that American insurers did not have to be intelligent or clever, though he then added that perhaps in the present competitive era they might have to become more so.

While insurers have rather good employee recruitment programs and good to excellent staff training programs, at least up to the supervisory level, from the supervisory level on up to the executive level, insurers are not doing quite as good a job as industrial companies, Mr. Toelle observed. How this lack developed it is difficult to say.

The enormous growth of the property and casualty business in 25 years points to the need for more management, not only top executives, but "middle management" from whose ranks come company presidents and chairmen.

Insurers can provide better service and earn larger profits through an improvement in the performance of all persons who make up the several segments of management, Mr. Toelle commented.

What is meant by "executive development"? The executive must broaden his viewpoint and develop his mental and social horizons. This development cannot be achieved by

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limiting the education of the individual to his own experience and probably not even by limiting it to the experience of individuals in the same business. It should include the total body of information in the many fields of knowledge that bear on the art of management, to widen the horizons of the individual's viewpoint and enhance his ability to analyze complex situations and make those decisions necessary for the growth of the organization.

It is also important to improve the quality of human relations of the executive. Many in the business are well trained technicians who know precisely what needs to be done in a given situation, he said. Obviously, the man with broad responsibilities can only do a portion of the work himself and must have the ability to communicate his wishes, needs and ideas to those who will actually carry on the work of the company.

There is some basis for believing that insurers today are convinced that the college recruiting programs used by some of them will automatically develop executives after the individuals thus recruited have had a bit of exposure to the mechanics and technicalities of the business, he said. Often the development of the individual is left to a haphazard training program which may produce a skilled field man or a well-trained automobile underwriter, but is not conducive to development of the broad background necessary for a true executive.

Rare individuals may be born with executive ability, but the true development of an executive comes through training. Executive ability is a skill like many other skills and can be learned through training.

There are two basic kinds of training leading to executive development, the in-company types and the university type.

In using in-company training, the employer aims at developing management skills from people having specific duties and in whom their supervisors see potential management ability. Some companies supplement periods of study on the premises with seminars free of the work pressures, away from the distractions of normal business and ordinary family pressures.

Many companies have found it valuable to create an auxiliary "board" composed of middle management personnel who meet to consider the problems of management. This "board" has no executive duties, but its conclusions often are valuable to management, and its meetings serve as a training ground for higher executive responsibilities.

Many companies also have used the job rotation scheme with great success. Under this plan, personnel with management potential are deliberately shifted from job to job over a period of time to give them a much broader background of experience from which they may draw as their careers develop.

The university executive development plans have the same basic purpose and are more varied than an in-company plan is likely to be, since they cater to the needs of many types of industry, thus giving the executive "student" the advantage of contact with men of varied backgrounds and differing ideas on the proper solution to a particular problem.

A very substantial number of American universities are offering this type of program today, in addition to which organizations such as American

Management Assn. offer executive development programs using their own facilities on the premises of various universities during the summer.

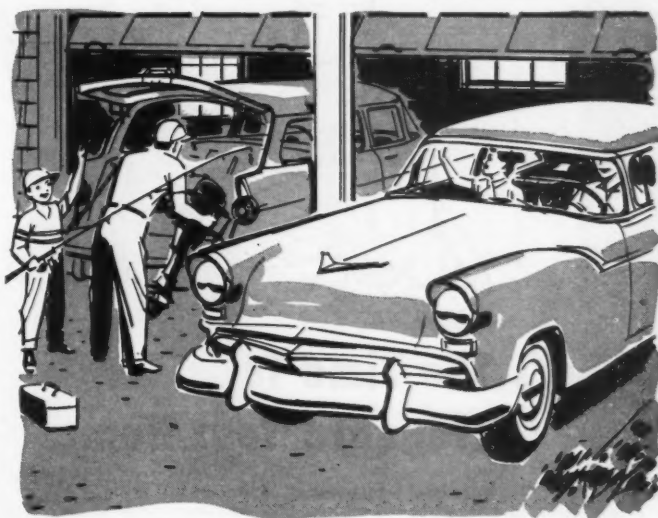
The average university program discusses specifically such areas of interest as decision making, communication, the formulation of policy, the management of human resources, the management of financial resources, the executive function, labor relations, the role of the administrator as an individual, and the total enterprise. Most of them lean very heavily on the teaching-learning process, so that each of the executive "students" contribute almost as much to the knowledge of the others as they themselves gain.

In the chapter's survey of more than a dozen universities, it found that the insurance business is almost conspicuous by its absence from the roster of businesses whose executives have been selected by their companies to attend these courses. Whether companies feel that the present informal program used by many of them is superior to university executive development programs, these university programs are not in widespread use by such insurers.

Mr. Toelle said the CPCUs had talked to a substantial number of insurance executives and found that their thinking falls into two basic patterns. One is that their present company program of job evaluation by senior executives is sufficient to detect the "comer" and see that he is properly routed to positions of increasing responsibility which will eventually fit him for an executive job. The other places less emphasis on informal watching for the outstanding man and more emphasis on in-company training plans.

Some of the insurer executives seem to feel that the business is too special to fit into either of the executive training patterns above. Yet an insurance executive spends a relatively short period of his early days in the business learning the mechanics of insurance and then devotes the entire balance of his career to the application of his special knowledge to the needs of a wide diversity of clients. This calls for executives with aims very similar to the aims of clients; a broad viewpoint, good communication,

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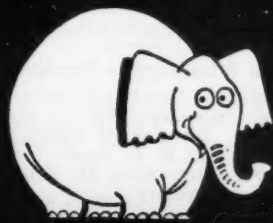
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adequate human relations, and the many other talents of an executive are as much in demand in insurance as in any other business.

The insurance business lags behind industry in examining its own need for executives and in providing proper training so that its needs can be filled with a minimum of dislocation and delay, he concluded. Through its present negative attitude toward executive development the business fails to attract some persons who might well become executives after a suitable period of training, and tends to discourage some of the brighter young men who initially join insurers with high hopes, only to find that a lack of interest in them as persons and no definite direction in their search for individual development leads them to seek jobs outside of the insurance business.

In-company training plans, supplemented by properly developed courses similar to the university plans described, should be considered by insurers, this CPCU study group believes. An insurance industry association might be the proper medium for developing university type executive development courses. In the absence of such a program, however, each should intensify the development of more and better executives to face the challenge of the greatly expanded insurance business of the future.

Mr. Walker concluded by pointing out that the consensus of opinion is that a better job can be done with recruiting, training, and executive management development. There needs to be group effort by top level management in this direction, not by the CPCUs. He had been asked about training by agents. This is, he commented, a vast field and the size and character of agencies are so varied that the CPCUs did not get into it, but there is no question that the agency business needs it.

Christensen Promoted By Allstate To Planning Post

Boyd Christensen has been promoted to long range planning manager of Allstate. He assumes responsibility for projection of the company's profit and loss figures and planning of future development in all phases of Allstate's expansion program.

Mr. Christensen began his Allstate career 5½ years ago and was planning manager of the regional offices in Long Beach and Pasadena before becoming assistant budget manager at the home office.

Ind. Adjusters To Meet

State Adjusters Assn. of Indiana will hold its annual convention at Indianapolis Oct. 25-26. Speakers include John T. Hume, Indiana Ins. Co., and Patrick J. Magarick, Pacific National. A seminar on material damage will be directed by Gene Murphy, American States.

Myhre Minneapolis President

Insurance Agents of Greater Minneapolis have elected R. E. Myhre as president; Richard A. Franzen vice-president, and R. E. Beedee secretary-treasurer. Mrs. Alice M. Fabianke is executive secretary.

General Adjustment Bureau has appointed Bernard D. Weaver manager at Wheeling, W. Va., succeeding Raymond B. Murphy, who has resigned. Mr. Weaver joined GAB at Clarksburg and since 1954 has been senior adjuster at Huntington, W. Va.

Curwen Marine Deputy Of Royal-Globe Group

W. H. Curwen has been appointed deputy marine manager of Royal-Globe group. He formerly was assistant marine manager and deputy underwriter, and retains the latter title. He has been more than 40 years with Royal-Globe in marine. Originally with Thames & Mersey at its head office in Liverpool, he came to the U.S. for that company in 1925. With the consolidation of the marine interests of Royal-Globe in 1939, he was assigned to underwriting both hull and cargo business in the combined office. He was appointed assistant marine manager in 1945 and was advanced to deputy underwriter in 1950.

He is chairman of the board of managers of Tugboat Underwriting Syndicate.

W. Va. Mutual Agents Elect H. J. Pellegrini

West Virginia Assn. of Mutual Insurance Agents, at the annual meeting in Clarksburg, elected Henry J. Pellegrini of Huntington president. He succeeds Bryan F. Gay of Clarksburg. Robert D. Hampton of Clarksburg and Lawrence J. Haggerty of Charleston were elected vice-presidents and Mary Morris of Huntington secretary-treasurer.

New directors at large are George M. Brase, Clarksburg; Edward T. Gilmer, Beckley; Claude E. Walls, Buckhannon; Glenn E. Walls, Fairmont, and John M. Wehrle and Garrett Surface, both of Charleston.

Western Life Stock Exchange With St. Paul F.&M. Is Consummated

The exchange of stock between Western Life of Helena, Mont., and St. Paul Fire & Marine has been executed on the basis of 1.39 shares of St. Paul stock for one share of Western Life stock. Holders of 98.5% of the shares of Western Life agreed to the exchange. The original offer expired Sept. 26 and the remaining shareholders of Western Life had until that day to exchange their shares with the understanding that St. Paul F.&M. would be willing to accept 100% of shares of Western Life.

It is planned that A. B. Jackson, president; R. M. Hubbs, vice-president, and Robert S. Davis, investment officer all of St. Paul F.&M. will be elected to the board of Western Life. R. B. Richardson, president of Western Life, was elected to the board of St. Paul F.&M. on Aug. 22.

Western Life is at present licensed in 11 states and Alaska. St. Paul F.&M. operates in all states, Canada, Puerto Rico, Cuba and Hawaii through approximately 10,400 general insurance agents. It is expected that Western Life will be licensed in additional states and its territory of operations expanded to parallel those of St. Paul F.&M.

Two Join Ia. Department

DES MOINES—Charles R. Warren and William E. McKay have been named to the staff of the Iowa department to fill vacancies and handle work involved under the new agents' qualification licensing law which becomes effective April 1.

Mr. Warren has been named to the legal staff and will handle securities, complaints, and assist in handling the qualification law. Mr. McKay will devote his entire time to licensing procedures.

Mr. Warren has been an attorney at Emerson, Ia., and more recently has been with Sun of New York. Mr. McKay for eight years has been in the field for Farmers Mutual Hall.

Federal Bar Assn. Hears Holden On New Marine Personal Injury Theory

The new theory of liability in personal injury cases is apparently based not on fault, but on the power or right of control, Edward C. Holden Jr., president of U.S.P&I Agency, New York, told Federal Bar Assn. at the recent convention in Washington, D.C. Liabilities are imposed not to restore ethical balance, he said, but to maintain general security by requiring those who have the right to control conditions and instrumentalities of danger to life and limb, to exercise vigilance and diligence.

Dealing particularly with the marine phase of this concept, Mr. Holden went on to say that, in effect, this theory imposes a penalty on the shipowner for failure to ensure the safety of the insured person over whom he has power or right of control. However, the humanitarian aspects of this theory are offset by failure to consider or evaluate properly the fundamental facts in cases where the shipowner has no power or right of control whatsoever, yet is subjected to liability.

An obvious injustice is thereby done to the shipowner in that it causes economic instability in a highly competitive business, he said. Somebody has to pay the costly bills for these unjust social experiments in the judicial realm. They increase operating costs. They help build up inflation. They impede and impair U.S. maritime progress in meeting international competition by greatly increasing operating costs. Foreign competitors are free of these financial burdens.

Mr. Holden recounted the case of Loistenen vs American Export Lines. While on shore leave at the port of Split, Yugoslavia, Loistenen suddenly found it expedient to jump out of the window of a house, and broke a leg. But Loistenen reaped financial maintenance and cure benefits assured him by the precedent of Aguilar vs Standard Oil. In that case the court ruled the shipowner liable for the hazards of "relaxation beyond the confines of the ship . . . in distant and unfamiliar ports."

After citing a number of other cases of similar results, Mr. Holden said that it has become clear that the courts have extended the rights of seamen so that it is almost impossible to denote willful misconduct, default or misbehavior, or any cause of disability not "in the service of the ship." The principle of liability, based not on fault but on power or right of control, is obscured and disregarded in a fog of legal reasoning. Liability for the period of such disabilities is being extended into a so-called "gray zone," he said.

It is unfair and unjust to impose economic burdens and liability on a

shipowner in cases where he has no power or right of control over the actions of seamen while on shore leave. A shipowner cannot and should not be responsible for controlling the morals and actions of men ashore; he has no police authority, he said.

N. Y. 'Road Aid' Ordered To Change Its Name

Judge Inch of U.S. district court in eastern New York has issued an injunction restraining Road Aid of New York from directly or indirectly using, after Oct. 15, in any way in conjunction with a road service for motorists or any other service for motorists or motor vehicles or in connection with the sale of any items to automobile owners, garages or service stations, the trademark "Road Aid" or any name or trademark that is confusingly similar thereto, including but not limited to the trademarks "Road Aid" and "RA," any name or trademark having the initials "RA," any name or trademark including the word "Aid" and any name or trademark which includes the word "Road" (other than in connection with the use of the name or trademark Road Rescue, which is not prohibited).

The injunction was issued on complaint of Road Aid of Detroit, which is maintained by Detroit Assn. of Insurance Agents.

Hoffman, Others Promoted By Firemen's Of D. C.

WASHINGTON —Firemen's of D. C. has promoted Vice-president V. Manning Hoffman to executive vice-president and secretary, Assistant Secretaries Herbert M. Pasewalk and James B. Fitzpatrick to vice-presidents, Assistant Secretary Richard H. Winkelman to vice-president and treasurer, and Clement H. James to assistant secretary.

Royal-Globe Names Darcy Detroit Claims Manager


Royal-Globe group has appointed Frank M. Darcy claims manager at Detroit. He joined the group at Boston in 1946. He has been manager at Evansville, Ind., since 1953.

Burns Joins Columbus Agency

John K. Burns has joined Atkinson-Dauksch agency of Columbus, O. He has been group manager of Fireman's Fund at Houston since last year and was with National Surety previously. He has served as president of Casualty & Surety Assn. of Oklahoma and as director of Houston Surety Assn.

General Adjustment Bureau has appointed Bernard D. Weaver manager at Wheeling, W. Va., succeeding Raymond B. Murphy, who has resigned. Mr. Weaver joined GAB at Clarksburg and since 1954 has been senior adjuster at Huntington, W. Va.

American Mutual Liability has appointed John J. Deveney branch sales manager at Jacksonville. He joined the company in 1951.




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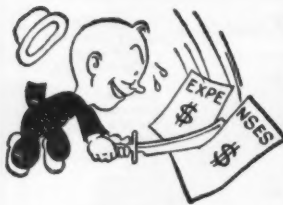
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Latham To End 31 Years At America Fore

Edgar C. Latham, secretary of the fire companies in the southern department of America Fore at Atlanta, will retire Jan. 1. He has been with the group 31 years.

He was recently honored by his office associates at a luncheon at the Capital City Club in Atlanta. Vice-president Louis P. Jervy, manager of the southern department, presented him with a ship's clock.

Mr. Latham joined America Fore in 1926 as an engineer in North Carolina and Virginia and was later appointed division engineer in North and South Carolina and Virginia. Transferred to Atlanta as assistant chief engineer in 1937, he was advanced to chief engineer in the southern department in 1941.

In 1948 he was appointed agency superintendent and in 1953 was promoted to an assistant secretary of the fire companies of America Fore. He was appointed a secretary in 1955.

Pansing Is Named Counsel For Nebraska National

Thomas R. Pansing, Nebraska insurance director from 1952 to last June, has been appointed general counsel of Nebraska National Life of Lincoln. Mr. Pansing resigned as Nebraska director last June to resume law practice with Crosby, Pansing & Guenzel of Lincoln. In his new post, Mr. Pansing will be assisted by R. W. Devoe, former general counsel of Nebraska National, who will continue as general attorney in the legal department, serving in an advisory capacity.

Cleveland Mariners Club Elects Paul Nagle Skipper

Cleveland Mariners Club has elected Paul Nagle, Aetna Casualty, skipper; Charles D. Stemmermann, Home, first mate; Eugene J. Epple, Royal, yeoman, and George E. Pascoe Jr., Pascoe Adjustment Co., purser.

New York's compulsory automobile liability insurance law is penalizing members of the armed forces in the state for limited periods who drive cars with armed forces license plates, Edward Cirlin, president of Road Rescue has informed Gov. Harriman. Under present rules such drivers cannot obtain insurance when they disembark in the state without purchasing New York license plates, although they may only be in the state 30 days or less. Mr. Cirlin said many such drivers at present refuse to buy new plates at costs ranging from \$18 to \$22, and therefore can't get insurance.

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STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233) of The National Underwriter, published weekly, at Chicago, Ill., for Oct. 1, 1957.

1. The names and addresses of the publisher, editor, managing editor, and business manager are:
Publisher, The National Underwriter Co., Chicago, Ill.
Editor, K. O. Force, Greenwich, Conn.
Managing Editor, J. C. Burridge, Hinsdale, Ill.
Business Manager, R. J. O'Brien, Chicago, Ill.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)
The National Underwriter Co., Chicago, New York, Cincinnati; John Z. Herschede and Elizabeth W. Herschede, Trustees, Cincinnati, Ohio; Cartwright, Val-
leau & Co., Chicago, Ill.; H. J. Burridge, Cincinnati, Ohio; Levering Cartwright, Evanston, Ill.; Russell Cartwright, Evanston, Ill.; Ruth Cartwright, Evanston, Ill.; Leslie K. Wadsworth, Highland Park, Ill.; R. E. Richman, Holland, Mich.; George W. Wadsworth, Highland Park, Ill.; How & Co., Chicago, Ill.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.) None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 19,191.

R. J. O'Brien.

Sworn to and subscribed before me this 25th day of September, 1957.

H. E. LISTUG.

(Seal)

My commission expires Sept. 3, 1961.

Agent Stresses Ability To See Sales Situations

The importance of recognizing "insurance situations" that offer additional sales opportunities was emphasized by Milton Warren of Denver, who addressed graduates of the 164th session of Aetna Casualty's sales course in Hartford.

Mr. Warren, who was graduated from the school 20 years ago, added that an imaginative approach to clients uncovers many situations which indicate the need for additional protection.

"With the Aetna school diploma, he said, 'you now have the background to attain the standing of a professional insurance counselor in your community.' Consistent use of risk and insurance analysis plans has been an important factor in developing his business, he said, pointing out advance screening will help to restrict survey work to accounts that have the potential worthwhile volume.

The class was led by Sumner Herman of Worcester, Mass., who received a blue ribbon. Blue ribbons for high scholastic standing also went to Edwin R. Waite of Mount Dora, Fla., Daniel Cravitt of Miami, and Allan N. Crawford of Thomasville, Ga.

Gold ribbons for demonstrating outstanding soliciting techniques were awarded to Jay B. Mills of San Diego, John M. Sommer of Denver, Mr. Cravitt, John E. Butler of Dubuque, Ia., Wayne Foltz of Lexington, Va., Harry C. Hutchinson of Winter Park, Fla., W. G. McLeod Jr. of Pensacola, and John E. Rodstrom of Ft. Lauderdale.

Zurich Appoints Nelson To Head Training Program

J. Wesley Nelson has been appointed director of training for Zurich. He will also coordinate the college recruiting program.

Mr. Nelson sold insurance and served as an instructor at Pennsylvania State College. Most recently he was training director for Continental Casualty.

Independent Adjusters Of N. Y. State Elect

New York State Assn. of Independent Insurance Adjusters, at the annual meeting in New York City, elected R. L. Hoercher president, Sidney R. Stratton vice-president, and Donald L. Campbell secretary-treasurer. Mr. Hoercher and Mr. Campbell are partners in Hoercher Campbell & Associates of New York. Mr. Stratton is with George H. Reuter & Associates of Syracuse.

Speaker was Thomas Rathbone, chief engineer of America Fore. He discussed atomic energy and its relationship to insurance.

Mutual Service Advances 5

Mutual Service group has appointed C. W. Lehmann director of marketing; L. E. Benson director of underwriting; Ernest Berg manager of commercial casualty operations; L. B. Van Treese operations manager for Wisconsin, Michigan, Iowa, Nebraska, Kansas, and Illinois, and Merle Walters operations manager for Minnesota and North and South Dakota. Mr. Lehmann has been director of field services, Mr. Benson has been casualty underwriting manager, Mr. Berg has been director of community relations, Mr. Van Treese has been director of sales operations, and Mr. Walters has been regional sales manager.

Quaker City F.&M., of the Atlas group, has changed its name to Quaker City Ins. Co.

ANNOUNCING

We take pride in announcing the affiliation of the Western Life Insurance Company with the St. Paul Fire and Marine Insurance Group.

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List Panel Speakers For HIAA Individual A&S Forum Oct. 21-23

Four panel sessions dealing with areas of particular interest to executives working in the field of individual A&S will highlight the 3-day program of the individual insurance forum sponsored by Health Insurance Assn. of America at Biltmore hotel at New York Oct. 21-23.

A panel on substandard risks, "The Forward Look", will be held from 3 to 4:30 p.m. Oct. 21. Speakers will be Byron S. Davis, manager of the A&S underwriting department of State Mutual, moderator; Fred T. McCann, superintendent of the substandard division of Continental Casualty; Gerald S. Parker, A&S secretary of Guardian Life; Earle B. Tilton, director of un-

derwriting-personal lines of Nationwide Mutual, and Charles N. Walker, assistant vice-president of Lincoln National

A claims panel, "A Claims Man's Thesaurus of English Words and Phrases—Are We All Using The Same Edition?", is scheduled for 2:45 to 4:30 p.m. Oct. 22. Moderator will be George F. Monks, manager of A&S claims of New York Life. Panel members will include Roland S. Jack, claims vice-president of Monarch Life; Elmer J. Rasmussen, manager of the A&S claims department and executive superintendent of A&S underwriting of Continental Casualty; K. C. Berry, 3rd vice-president of A&S claims of Lumbermens Mutual Casualty; J. A. Cairns, vice-president of Federal Life & Casualty of Battle Creek; Howard LeClair, vice-president of Mutual Benefit H&A., and Godfrey M. Day 2nd vice-president of the claims department of Connecticut General.

"Everyone Can Do It," a panel on agency management, will be held from 9 to 10:30 a.m. Oct. 23. Moderator will be Phil Maher, 3rd vice-president in the agency department of Washington National. Panel members will be Allen Cureton, assistant vice-president and director of A&S agencies of Republic National Life; William C. Woodyard, superintendent of the individual A&S department of Zurich; Raymond C. Swanson, agency vice-president of Monarch Life, and E. D.

Speer, vice-president of Great American Reserve.

A fourth panel, running from 11:05 a.m. to 2:30 p.m. will be a question and answer session. The final session of the forum, it will be moderated by Peter J. Burns, executive assistant of New York Life. Panel members will be J. F. Follmann Jr., director of information & research of HIAA; John P. Hanna, general counsel of HIAA; Dr. Rudolph H. Friedrich, secretary of the council on dental health, American Dental Assn., A. M. Hansen, assistant vice-president, underwriting and D. D. Ulfers, vice-president of Mutual Benefit H&A.; James R. Williams, vice-president of Health Insurance Institute; Francis T. Curran, supervisor of the statutory disability division of Commercial of New Jersey; Mr. Monks, Mr. Maher and Mr. Davis.

Dr. Friedrich also is scheduled to speak the morning of Oct. 23 on "Dentistry's Interest in Health Care." Other featured speakers will include J. Henry Smith vice-president of Equitable Society and president of HIAA; Robert R. Neal, general manager of HIAA; Mr. Ulfers, who is also chairman of the HIAA individual insurance committee; and Harry L. Graham, secretary of the A&S department of Bankers Life of Iowa and chairman of the planning subcommittee, who will deliver the opening address.

Follmann Says Dental Care Might Be Included In Major Medical Cover

Any public desire for prepaid dental care insurance might be met by including it as part of major medical, rather than as a separate policy, Joseph F. Follmann Jr., director of information and research of Health Insurance Assn. of America, said at the annual conference of Council on Employee Benefit Plans at Hotel Commodore at New York.

While such a plan has not been attempted, some possibilities would seem to present themselves in this direction, he said. The more serious and costly forms of dental care could be included in a medical care program, leaving the more routine, less costly and luxury forms of dental care to be borne by the individual. Such a plan would have the added virtue of not segmenting dental care costs from other costs for medical care, since the individual pocketbook they become total cost.

However, insurance or prepayment for general or comprehensive dental care on a broad scale does not appear to be on the immediate horizon. It probably will await greater public demand. Progress can be expected to proceed in an orderly manner, starting first with coverage for oral surgery and other costly procedures on a scheduled basis.

Speaking of the problem which initial dental care or care for the accumulated needs can present to insurers, Mr. Follmann was confident that means probably can be found to cope with this. Maintenance care also presents problems but ones which are not unique to dental care and, hence, subject to solution.

Group coverage for dental care costs would appear to be feasible from an operational standpoint when there is a public desire to purchase it. However, individually sold dental insurance as a separate coverage may prove somewhat impractical because of initial and continuing anti-selection or until dentistry becomes automatically accepted as part of medical care insurance.

Among alternate approaches to an insurance or prepayment program which might be taken, he included the development of postpayment plans for financing dental care or the provision of dental care on a direct basis by employers or labor unions. Post-payment plans are commensurate with installment buying which plays a basic and increasing role in the national economy. Such plans tried for dental care vary in nature and degrees of success or failure. A recent study of employer-provided dental care indicated a lack of uniformity in the pattern of services. Some of these plans emphasize emergency care and educational programs, others stress repair and replacement, and still others point up education, examination, and referral to the family dentist.

There seems general agreement in the dental profession that where such plans emphasize education and referral and are well operated, they can be of appreciable value, he concluded.

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Indict Two Former Texas Commissioners

(CONTINUED FROM PAGE 1)

steered, it apparently being thought that union members were more or less captive customers for such a company as ICT. At least one of these agencies was established, at Little Rock, but the plans for setting them up in other southern cities never materialized.

BenJack Cage sold the idea of a union insurance company to officers of the Texas Federation of Labor and they put him in the capacity of manager of the enterprise. After things began to deteriorate, Mr. Cage was asked to leave and his cousin, James G. Cage, was called in to do a salvage job. However, things had gone too far and the insurance department had to take over. James G. Cage had no previous connection with ICT and is now the executive vice-president of Textile of High Point, N. C.

J. Byron Saunders and Garland Smith were both chairmen of the Texas board of insurance commissioners. Mr. Smith resigned as chairman in January, 1956, giving ill health as the reason. He was at the time under considerable pressure, the state being in a turmoil over insurance conditions surrounding the collapse of U. S. Trust & Guaranty, promoted by A. B. Shoemaker, who had a combined savings and loan-insurance empire under his wing but ran into a snag and shot himself in the head and is now considered permanently mentally incompetent.

Mr. Saunders was chairman of the commission during a reform wave and was elected chairman of the executive committee of National Assn. of Insurance Commissioners in what was regarded in some quarters as a vote of confidence for the Texas department. Mr. Saunders resigned after a few months in the NAIC office to become vice-president and general counsel of Republic National Life.

Two successive Texas legislatures have enacted laws designed to put an

end to the promotional, speculative type of insurance company and to see to the solvency and respectable management of others. Observers have said that present Texas laws are now strengthened to equal those to be found anywhere, and the only job remaining is to weed out the few companies still in existence which are of doubtful character.

Events in Texas in the past few years have been distressing to the insurance business as a whole and to the reliable domestic companies in particular. The scandals have received national publicity, and even persons relatively unacquainted with insurance have seen enough in newspapers and magazines to feel that a critical remark about Texas insurance is in order. The effect of the new regulatory laws has not yet been fully felt, ICT being a case in point. This company failed after the new laws were enacted, possibly partly because of the more careful scrutiny the department put it under. No new laws, however, would have had any effect in abating the publicity and sensationalism surrounding the crash of such a large and diversified promotion as ICT.

Recording & Statistical Gets W. Coast Affiliate

Tabulating Service Co. of San Francisco has joined the Recording & Statistical Corp. organization on a divisional basis to provide a west coast center for data processing. Corrie L. Arthur Jr., who has been head of Tabulating Service, will be western manager of the new division.

Peter W. Brown Jr., who has for 8½ years been at Toledo with Underwriters Adjusting, has joined Evans Adjustment Co. of Toledo to manage the new branch office at Fremont.

Oppose FTC Plea For Review By Court Of Natl. Casualty Case

WASHINGTON—National Casualty has filed a brief opposing Federal Trade Commission's petition to U. S. Supreme Court for a review of the decision favoring the company rendered by federal sixth circuit court of appeals at Cincinnati. FTC has accused the company of deceptive A&S advertising.

The appeals court judgment, entered June 6, is correct and conforms with applicable decisions of U. S. Supreme Court and appeals courts of other circuits and does not conflict with any other decision so as to warrant further review of the case, National Casualty's brief maintained. The sixth circuit court ruled that under the McCarran act FTC lacks jurisdiction to regulate the company's advertising practices in states where the practices are regulated by state law.

The brief points to the Supreme Court decision in Prudential vs Benjamin and Wilburn Boat Co. vs Fireman's Fund. The court held in both cases that the intent of the McCarran act was to leave insurance regulation with the states. The courts of appeals have acted with complete unanimity with the Supreme Court decisions by holding that under the McCarran act the regulation of insurance reposes

(CONTINUED ON PAGE 40)

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Oppose FTC Plea For Review By Court Of American H.&L. Case

WASHINGTON—American Hospital & Life has filed a brief opposing the Federal Trade Commission petition asking U. S. Supreme Court to review the New Orleans federal circuit court of appeals decision favoring the company. FTC has attacked the company's A&S advertising.

The American Hospital & Life brief contends that the circuit court of appeals was correct in deciding that the Supreme Court already has construed fully the McCarran act as far as necessary in this case. There is no reason for granting a writ of certiorari.

The brief says the question presented by FTC is entirely too broad. FTC's petition asserted that the question is whether the McCarran act should be construed as divesting the commission of jurisdiction over false and misleading advertising in connection with the interstate sale of insurance because states have enacted laws prohibiting such practices.

The brief contends that the Supreme Court should consider only the narrow question of whether FTC has jurisdiction over a complaint that the home office distributed deceptive material to agents in various states with adequate regulatory laws and where the activities of the company and agents are confined to state boundaries.

The complaint does not charge any deception in the interstate mailing of applications and policies. The sole accusation is that brochures sent by the home office to agents in other states for distribution only within the states contained deceptive matter. None of the allegedly deceptive material was sent by the home office directly to prospects. The company has done no newspaper, magazine, radio or TV advertising.

The brief charges FTC with making an obvious attempt to have the Supreme Court consider the American Hospital & Life case on the facts in the National Casualty case. The fifth circuit court of appeals entered the judgment for American last April 9, while the sixth circuit appeals court at Cincinnati did not enter the judgment for National until June 6.

In FTC's attempt to have the American case decided on the facts in the National case, the brief declares, much of the material presented in the petition dealing with American H.&L. is merely by reference to the National case. Even the FTC opinion in the American case is set out in an appendix to the National petition, rather than as an appendix to the American petition. FTC's attempts to have the petition in the American case considered on the facts in the National case is entirely inappropriate, according to the American brief.

The FTC petition covering National said the hearing examiner held that FTC had jurisdiction to prescribe deceptive representations made by National and disseminated directly by mail to prospects in other states. This does not apply in the American case. While it might not be practicable for Arkansas to control the mailing of material from Texas to Arkansas residents, Arkansas can control the distribution of matter by an agent in Arkansas to people residing there. This is the only way that American material is distributed.

The brief repeated the assertion that

control of advertising material cited in the FTC complaint is completely, adequately and effectively regulated by state laws in every state where the company does business. The advertising material is distributed only within the state where the agent operates and is delivered only to prospects within the state. Agents never cross state lines with material and never send it across state lines.

FTC could properly seek a writ in this case only on the premise that the appeals court decided an important question of federal law which has not been, but should be, settled by the Supreme Court.

The Supreme Court, in Prudential

vs Benjamin, upheld the company's position that FTC jurisdiction goes only to the extent that insurance is not regulated by state law, the brief said.

Reliable Names Bull V-P

John E. Bull has been elected vice-president of Reliable of Dayton. He joined the company as manager at Dayton last May, and will continue to supervise Ohio and Indiana operations from there. Before joining Reliable, he was with Home and Glens Falls.

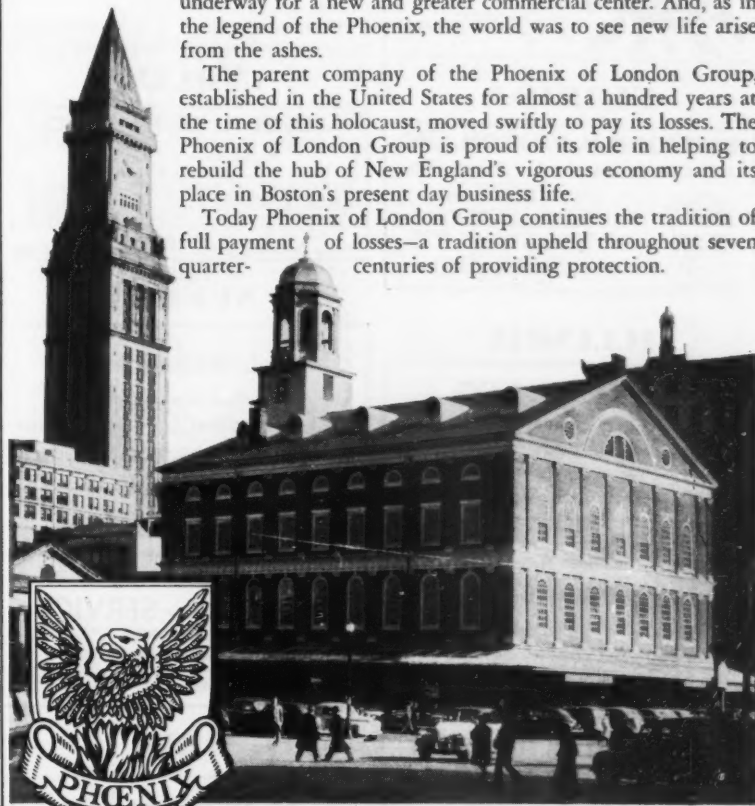
Thirty members of Wisconsin Fire Prevention Assn. inspected 156 buildings, nine schools and nine churches in Beaver Dam.

ORDEAL BY FIRE . . .

Eighty-five years ago the citizens of Boston watched with horror as flames devastated the heart of the proud city's business district. The sight of this commercial area being reduced to rubble, was a numbing one to the merchants of Boston. The glow, clearly visible sixty miles away, had hardly died before plans were underway for a new and greater commercial center. And, as in the legend of the Phoenix, the world was to see new life arise from the ashes.

The parent company of the Phoenix of London Group, established in the United States for almost a hundred years at the time of this holocaust, moved swiftly to pay its losses. The Phoenix of London Group is proud of its role in helping to rebuild the hub of New England's vigorous economy and its place in Boston's present day business life.

Today Phoenix of London Group continues the tradition of full payment of losses—a tradition upheld throughout seven centuries of providing protection.



175th Anniversary Year • 1782 - 1957

Phoenix of London GROUP

55 FIFTH AVENUE • NEW YORK 3, NEW YORK

PHOENIX ASSURANCE COMPANY OF NEW YORK

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

THE UNION MARINE & GENERAL INSURANCE COMPANY, LTD.

PRITCHARD AND BAIRD

99 John St., New York 38, N. Y.
Phone WOrth 4-1981

REINSURANCE

CONSULTANTS AND INTERMEDIARIES

"We Are What We Do"

Calls For Realistic Thought, Action From All

(CONTINUED FROM PAGE 1)

age, but only the competitors realized that a mass market for a line of insurance had been created and acted accordingly. Agents and their companies did, of course, get a certain share of this new market, but a minor share compared to what competitors got, and Mr. Harper said he suspects that much of even this limited share was secured simply because agents were on the spot at the time.

The underwriting loss of \$200 million suffered by stock casualty and fire companies in 1956 may be even greater this year, Mr. Harper warned. In ordinary times, a period of heavy loss in a single line is usually counterbalanced by gains in other lines. But this is not true in a prolonged period of inflation and insurance leaders should have realized this. Particularly with term fire lines and third party liability

lines, the insurance business has been collecting premiums on one level and paying losses on subsequently inflated values. He said it is folly to go on hoping that next year will be better. Stopping inflation would be politically dangerous and no one in the insurance business should count on it. The challenge, in Mr. Harper's opinion, is for the collective capacities of the insurance business to devise a system of rate making that will always give the business a fair chance to make a fair profit, in the absence of a tremendous catastrophe. The stock companies have held

a commanding position in the business for more than 150 years. If they lose it, Mr. Harper said, it will be due only "to our own stubborn failure to take steps to adapt ourselves to changing conditions."

Chubb & Son Writes Hull Cover On Old Three-Masted Schooner

Chubb & Son has written hull coverage on the 62 year old, three-masted schooner C. A. Thayer for her two-week voyage from Seattle to San Francisco.

The coverage was provided in an amount to cover cost of the vessel plus expenses incurred in fitting her out for the voyage. The policy was subject to the American hulls (Pacific) free of damage absolutely form and was endorsed to cover protection and indemnity risks including PDL, loss of life and personal injury. Hord, Jacobs & Speck, Seattle brokers, handled negotiations.

The ship, which was built in 1895, was being delivered from Seattle to the California park commission for display at the San Francisco Maritime Museum.

Name Five To Board Of

A. E. Strudwick Co.

A. E. Strudwick Co., reinsurance brokers of Minneapolis, has elected five presidents W. H. Kern, H. A. Goetz, J. C. Kunches and D. A. Taylor and Secretary J. A. Birkland to the board.

The members of Cleveland Mariners Club were guests of Lee Hinslea, admiralty attorney, at a clam bake in Brecksville recently. This was the second time Mr. Hinslea was host to the mariners and it promises to be an annual affair.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Oct. 8, 1957

	Bid	Asked
Aetna Casualty	129	131
Aetna Fire	55 1/4	56
Aetna Life	195	198
Agricultural	24 1/4	25 1/4
American Equitable	28 1/2	29
American (N. J.)	23 1/4	24
American Motorists	9 1/4	10
American Surety	15 1/2	16
Boston	28	29
Camden Fire	26 1/2	27
Continental Casualty	78 1/4	79 1/4
Crum & Forster com.	51	52
Federal	31 1/4	32 1/4
Fire Association	36	37
Fireman's Fund	48 1/4	49 1/4
Firemen's (N. J.)	34 1/4	34 1/2
General Reinsurance	46	46 1/2
Glens Falls	26 1/4	27 1/4
Globe & Republic	15 1/4	16 1/4
Great American Fire	29 1/4	29 1/2
Hartford Fire	135 1/2	137
Hanover Fire	31 1/4	32
Home (N. Y.)	35 1/4	35 1/2
Ins. Co. of No. America	88	89 1/4
Maryland Casualty	32 1/2	33 1/2
Mass. Bonding	26 1/2	27
National Fire	74	76
National Union	31	31 1/4
New Amsterdam Cas.	44 1/4	45 1/4
New Hampshire	35	36 1/4
North River	30 1/4	31 1/4
Ohio Casualty	19	21
Phoenix Conn.	58 1/4	59 1/4
Prov. Wash.	14 1/4	14 1/2
St. Paul F.&M.	41	41 1/4
Security, Conn.	23 1/4	25
Springfield F.&M.	38 1/4	39 1/4
Standard Accident	52 1/2	53 1/4
Travelers	78 1/2	79
U.S.F.&G.	61	61 1/4
U. S. Fire	21	21 1/4

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INDEPENDENT ADJUSTERS

CALIFORNIA

SERVING MOST OF SOUTHERN CALIFORNIA

- San Bernardino—456 'D' STREET
- Riverside—3880 MAIN STREET
- Santa Ana—2021 NO. MAIN STREET
- Burbank—130 E. MAIN STREET

Jack Hill & Company

FLORIDA

RAYMOND N. POSTON, INC.
159 S.W. 8th St. Miami, Fla.

BRANCHES

FT. LAUDERDALE
521 1/2 S. Andrews Ave.
PALM BEACH AREA
16 North V. Street Lake Worth

KEY WEST
445 Fleming St.
ST. PETERSBURG
486 1st Ave.

ILLINOIS

E. S. GARD & CO.
Adjusters
CHICAGO-LAND CASUALTY CLAIMS
★ ★ ★ ★ ★
175 W. Jackson Blvd., Wabash 2-8880

J. R. McGowan, Pres.
THOMAS T. NORTH, INC.
Adjusters All Lines
Phone Harrison 7-3230
175 W. Jackson Blvd., Chicago 4

ASSOCIATED CLAIM SERVICE, INC.
John S. Tash, President
ADJUSTERS
For the Companies and Self-Insurers only
222 W. Adams Street Phone DE 2-5456

JOHN H. HUNT & CO.
330 So. Wells St. Chicago 6, Ill.
Investigators and Adjusters
ALL CASUALTY LINES
Serving Chicago and vicinity, Waukegan, Ill., Gary, Hammond and Northwestern Ind.
Elmhurst Branch: Waukegan Branch: Gary Branch:
118 S. York 215 W. Water St. 1228 W. 5th St.
Tel. TE 4-9480 Tel. Delta 6-8822 Tel. Turner 2-9338
24 Hour Service
Phone Harrison 7-0153 Night: Terrace 4-7840

R. L. LYNCH AND COMPANY
Fire and Casualty—All Lines
H. O.—Springfield, Illinois
Illinois Branch Offices
Alton - Belleville - Decatur
Jacksonville - Peoria

LIVINGSTONE ADJUSTMENT SERVICE
619 E. Capitol Ave., Springfield, Illinois
Branch Offices: Decatur - Mattoon
Mt. Vernon - Belleville - Quincy
Covering Central and Southern Illinois
All Lines of Fire & Casualty

ILLINOIS (Cont.)

CHICAGO SUBURBAN CLAIMS SERVICE
Adjusters
State 2-4803
100 N. La Salle St. Chicago 2, Ill.

INDIANA

JOHN H. HUNT & CO.
330 So. Wells St. Chicago 6, Ill.
Investigators and Adjusters
ALL CASUALTY LINES
Serving Chicago and vicinity, Waukegan, Ill., Gary, Hammond and Northwestern Indiana
Elmhurst Branch: Waukegan Branch: Gary Branch:
118 S. York 215 W. Water St. 1228 W. 5th St.
Tel. TE 4-9480 Tel. Delta 6-8822 Tel. Turner 2-9338
24 Hour Service
Phone Harrison 7-0153 Night: Terrace 4-7840

NEVADA

R. L. GRESHAM & CO.
Multiple Line Adjusters
312 North 5th Street Las Vegas, Nev.
8 Adjusters Servicing 150 Mile Radius

NEW YORK

In the Insurance Industry
WORK means SERVICE
Ralph A. Work,
General Adjuster for the Companies
132 Nassau St. WO 2-3913
24-HOUR SERVICE—Residence Phone RA 9-2966

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O. R. BALL, INC.
Fire - Inland Marine
Allied Lines
1544 Hanna Building
Cleveland 15, Ohio
Phone Superior 1-7850
Night Phones: Montrose 3-7664 Florida 1-5095

D. J. SCOTT & SON
302 Home Savings & Loan Bldg.
Youngstown 3, Ohio
Phone Riverside 6-4661
Night: SKYline 8-5425 and SKYline 8-3978
FIRE & ALLIED LINES
35 Years Experience 24 Hour Service

THOMAS D. GEMERCHAK
Insurance Adjusters
All Lines
416 Citizens Bldg., Cleveland 14, Ohio
Phones OR. Su. 1-2666 - Res. Fa. 1-9442

R. S. LANDEN ADJUSTMENT CO.
83 So. High Street - Suite 410
Phones: Capital 8-2447
Night: Hudson 8-6578 - Franklin 2-8378
Columbus 15, Ohio
ALL LINES

OHIO (Cont.)

OHIO CLAIMS SERVICE
1000 American Bldg., Dayton
Tel. OZ. MT. 8897
Res. WA. 8719 & YO. 1767
Ralph F. Kelling, Mgr.
Prompt Investigation and Adjustment of all Types of Claims for Insurance Companies.
Branch Office, 815 First Natl. Bank Bldg., Springfield, Ohio.
Tel. FA. 5-4522.

QUILL-COHAN
Adjustment Company
Auto - Casualty - Fire - Inland Marine
Cargo - Yacht and Aircraft Surveyors
1313 Citizens Building (14), Cleveland
Tel. MA. 1-4290
Night Phones: AC. 1-8178 and CL. 1-7883

LOVELL-PASCOE, INC.
ADJUSTERS & SURVEYORS
815 Eriesside Cleveland 14, Ohio
Tel. SU 1-2092
Canton Branch:
820 Peoples Merchants Bank Bldg.
Tel. OL 2-7674
Elyria Branch: 313 Elyria Block

OKLAHOMA

C. R. WACKENHUTH AND SON
C. R. WACKENHUTH R. C. WACKENHUTH
ADJUSTERS FOR THE COMPANIES
ALL LINES
301 Mid-Continent Bldg., Tulsa, Oklahoma
Phones LU 2-5460 GI 7-3850

UTAH-IDAHO

SCOTT WETZEL CO. UTAH-IDAHO
INSURANCE ADJUSTERS
428 So. Main, Salt Lake City, Utah
First Security Bank Bldg., Pocatello, Idaho
258 W. Broadway, Idaho Falls, Idaho

WISCONSIN

ROY H. SCHALLER & CO., INC.
Investigators & Adjusters
Milwaukee Office
Bankers Bldg., 208 E. Wisconsin Ave.
Telephone Broadway 1-4048
Chicago Office
460 Ins. Exchange Bldg., 175 W. Jackson Blvd.
Telephone WABash 2-3541-2

TORONTO-CANADA

ADAMSONS, LTD.
Established 1894
Fire - Inland Marine - Casualty
and Auto ADJUSTERS
10 Lines to serve you.
Our cars are equipped with radio for fast efficient service.
Phone: EMpire 3-6223 Toronto 1
9 Wellington St., East

XUM

Second, Revised Edition Of Underwriters Medical Guide Is Published

The second and revised edition of the "Underwriter's Medical Guide for Accident and Sickness Insurance," by Dr. Joseph Altman, has been published by The National Underwriter Company. The book, designed for easy usage and hard wear, is about 7 by 10 inches in size, contains almost 300 pages, and is durably bound. Its price is \$10 a copy.

This book was first published in 1952 and in this second edition important information has been added regarding exclusion riders, some more impairments have been included, the glossary of definitions has been augmented, and text revisions have been made where required to bring data up to date.

The book is a medical approach to underwriting as distinguished from a premium rating approach, and it deals exclusively with accident and sickness underwriting. It represents the author's knowledge and experience gained during many years as a medical examiner and medical director for companies writing life and accident and sickness insurance.

More than 1,100 conditions are alphabetically listed in the underwriting action portion. They are coded according to the Standard Nomenclature of Diseases and Operations of the American Medical Assn., through special permission from the AMA.

Conditions are described in a concise, easy-to-follow form. The symptoms, effects, and results are outlined, and the underwriting action is stated—accept, accept with rider, reject, refer to medical director, remove rider.

Deaths

(CONTINUED FROM PAGE 21)

patient since Sept. 9. Mr. Bullitt graduated from Princeton in 1894 and was a classmate there of the late Charles M. Cartwright former editor of THE NATIONAL UNDERWRITER. He was U. S. solicitor general under President Taft. He represented the companies when they were charged with bribery of Missouri officials, the cases resulting in the impoundment and eventual return of more than \$10 million of premiums to policyholders. Innocent company officials were saved from possible jail terms or at least being placed under a cloud. The case led to the Southeastern Underwriters decision which resulted in public law 15.



Henry E. Griffendorf of the Michigan department listens as James M. Cahill, secretary of National Bureau of Casualty Underwriters, presents some of the sad statistics of automobile insurance at the Zone 4 meeting in Chicago last week. Photo by Harry Fuller, midwest manager of the National Bureau.

er. One large point of value is that when the action is accept with rider, the suggested wording of the waiver rider is given right in the discussion.

The book also contains chapters on the application, the physical examination, classification code, exclusion riders, the heart, tuberculosis, laboratory studies, hazards of occupations, cancer as an occupational hazard, also many specimen forms and charts, and a glossary of definitions of more than 800 medical terms.

The book may be ordered from The National Underwriter Company, 420 East 4th street, Cincinnati 2, Ohio.

Chicago CPCUs To Honor Myers, Larson Oct. 14

Chicago chapter of CPCU will honor Gerald E. Myers and Leonard W. Larson and will hear a review of the Oct. 1-3 meeting in New York at its meeting Oct. 14. Mr. Myers was recently elected president of the national society and Mr. Leonard was elected a director for the north central district.

The chapter will hold its all-industry luncheon Nov. 7. Panel discussions on agents and brokers qualification laws and on self insurance and large deductibles will be presented before the luncheon and Benjamin S. Adamowski, Cook county state's attorney, will be the luncheon speaker. Members of the qualification law panel will be: Daniel W. Barrister, Donald W. Perin, William J. Ryan, and Albert M. Devroye (moderator).

Chicago Paper Supports Insurers Drive For Adequate Auto Rates

Automobile insurers in Chicago were encouraged to read the lead editorial in the Chicago Daily News Tuesday. Under the title "Fair Rates Are Essential for Protection of the Public," the editorial noted that an "impressive case" for further substantial increase in rates was presented to the commissioners Zone 4 meeting in Chicago and goes on to say it is "important for the public as well as the insurance companies that the rates should be sufficient. . . If rates are chronically too low, insurance coverage is bound to be unduly restricted. If it is refused, or issued in inadequate amounts, to large categories of people, these people are not the only ones who will suffer."

The paper goes on to cite some of the reasons for the need for increased rates, and points out that other states have had up to four increases since 1951 but Illinois has had only one.



Commissioner A. J. Jensen of North Dakota, chairman of Zone 4 of NAIC, photographed at his zone meeting last week in Chicago with Julius O. Melin, examiner in the Minnesota department for more than 50 years, and the dean of insurance examiners in the U. S.

National Casualty Opposes FTC Petition

(CONTINUED FROM PAGE 37)

in the states and that in states which have adopted regulations the Sherman, Clayton and Federal Trade Commission Acts are not applicable.

The brief cited North Little Rock Transportation Co. vs Casualty Reciprocal Exchange, in which the eighth circuit appeals court held that since Arkansas law regulated the fixing of rates the Sherman act was not applicable. It noted that the ninth circuit court, in Crafts vs FTC, ruled that the commission's power over insurance advertising is limited under the McCarran act. It pointed out that the fifth circuit court, in American Hospital & Life vs FTC, rendered its decision on the identical issue involved in the National Casualty case, holding that under the McCarran act the commission was without jurisdiction to regulate insurance advertising in states which have enacted laws regulating deceptive advertising.

FTC has applied for writs of certiorari in Crafts vs FTC and in American Hospital & Life vs FTC, decided by the appeals courts last Feb. 27 and April 9, respectively.

The decisions of the courts in the National Casualty case are in accord with statements made by Mr. McCarran and Mr. Ferguson and others dur-

ing the debates on the McCarran Act.

National Casualty, licensed in all states and District of Columbia, pointed out that all its insurance is sold by resident agents who are licensed by the states in which they sell. No policies are sold by direct mail. Advertising material is furnished by the company to agents who distribute it locally or sometimes have the company mail it for them. Most jurisdictions have statutes extensively regulating advertising, while others regulate less extensively.

FTC, having held by a 3-to-2 decision that it had jurisdiction over the company's advertising in all states except Michigan irrespective of the existence of state regulatory laws, found it unnecessary to make any finding as to whether there were any jurisdictions in which the company sold insurance which did not have such statutes, the brief said. National Casualty is a Michigan corporation with its principal office in Detroit.

OPCUs To Hear Flynn

Allegheny chapter of CPCU at Pittsburgh will hear Frederick J. Flynn, New York broker, speak on "A Professional Approach To Insurance" at its all-industry luncheon Oct. 28.



Commissioners Paul Rogan of Wisconsin and Arch Northington of Tennessee watching proceedings at the Zone 4 meeting last week in Chicago. Photo by Harry Fuller, midwest manager of the National Bureau.



John A. Henry, secretary and general counsel of Continental Casualty, and Adlai H. Rust, president of State Farm Mutual Auto, presenting their account of the automobile situation at the zone meeting. Photograph by Harry H. Fuller, midwest manager of the National Bureau.



Iowa delegation photographed by Harry Fuller, midwest manager of National Bureau, at the Zone 4 meeting last week at Chicago: From the left, S. E. Orebaugh, deputy; Arnold Smith, rate supervisor; W. H. Sheehan, chief examiner, and Commissioner Oliver P. Bennett.

NOW...

The Travelers Premium Budget Plan helps you fight your *real* competition

Statistics tell the story.

Your *real* competition for the insurance dollar is not from rival agents but from rival products: new cars, new clothes, new luxuries. And now, The Travelers Companies are giving their producers the weapon to fight this competition . . . a modern, businesslike method of merchandising and financing *all* the personal lines of insurance.

Intensive market and product research revealed a public demand for *account-selling of personal lines by an independent local agent with premiums on a company-agency pay-by-the-month plan.*

The Travelers new Premium Budget Plan was devised to satisfy this demand. Now,

Travelers agents and brokers can show their prospects how they can wrap up all their personal insurance in a single program and pay for it by the month *with a single check.* This new advance in marketing cuts red tape, builds premium volume, and helps meet competition on all fronts. *And it will save you expense dollars in the operation of your office.*

The public is learning about the Travelers Premium Budget Plan through dramatic advertisements in the nation's leading magazines. To find out what it offers you, inquire at any Travelers Branch Office or General Agency. Or write to Millard T. Wilson, Vice President, The Travelers, Hartford 15, Connecticut.



THE TRAVELERS

INSURANCE COMPANIES, HARTFORD 15, CONNECTICUT

*All forms of business and personal insurance including
Life • Accident • Group • Fire • Marine • Automobile • Casualty • Bonds*

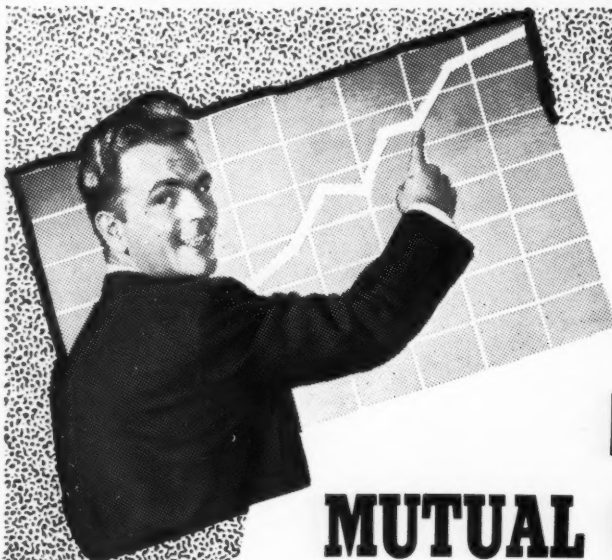


Chart Your Course to Better Business With Your

MUTUAL GENERAL AGENT

Your MUTUAL GENERAL AGENCY connection provides your office with greater capacity enabling you to go after bigger, more profitable risks . . . helps you give quicker, better service with important home-office decisions at the local level.

Your MUTUAL GENERAL AGENCY brings you wide experience and knowledge of local area conditions, enabling you to enjoy more and better business and profits. He is a staunch supporter of the American Agency System.

IT WILL PAY
YOU TO GO . . .

MGA

EASTERN STATES

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247 Kings Highway East
Haddonfield, N. J.

HENRY G. CARPENTER, INC.
Mount Joy, Pa.

HERSHEY & GIBBEL
Lititz, Pa.

LAIRD-HAGEE COMPANY
22 S. Third St.
Harrisburg, Pa.

SWIGART ASSOCIATES, INC.
Insurance Building
Huntingdon, Pa.

WESTON & WATSON, INC.
36 Exchange Place
Providence, R. I.

SOUTHEASTERN STATES

G. B. HARRILL
Insurance Building
Forest City, N. C.

HARRISON ASSOCIATES, INC.
Law Building
Richmond, Va.

KIBLER GENERAL AGENCY, INC.
205 W. Franklin St.
Richmond, Va.

LAGERQUIST & CO. (Limited)
275 Buckhead Ave.
Atlanta, Ga.

FRANK R. MacNEILL & SON
1032 S. W. First Street
Miami, Florida

MARSHALL GENERAL AGENCY, INC.
P. O. Box 10126
Charlotte 1, N. C.

PERRY MOSES & SON
Sumter, S. C.

W. J. PERRYMAN & CO., INC.
410 North 21st Street
Birmingham, Ala.

JOHN RATTERREE & COMPANY
Greer, S. C.

U. S. UNDERWRITERS, INC.
1801 Coral Way
Miami 45, Fla.

ZACHARY-RANDOLPH, INC.
415 E. North St.
Greenville, S. C.

SOUTHWESTERN STATES

ASSOCIATED AGENCIES, INC.
114 West 10th Street
Kansas City, Mo.

CORBYN AND COMPANY
2920 Classen Boulevard
Oklahoma City, Okla.

LEWIS & NORWOOD
406 Exchange Bank
Little Rock, Arkansas

OKLAHOMA GENERAL AGENCY
402 N. Hudson St.
Oklahoma City, Okla.

W. M. RITTER & ASSOCIATES
20 E. Mountain St.
Fayetteville, Arkansas

GENE WATKINS & CO.
3503 Montrose Blvd.
Houston 6, Texas

CENTRAL, NORTHWESTERN & WESTERN STATES

FRITZ A. FORSETH COMPANY
Forseth Building
Aberdeen, S. Dakota

FREDRICKSON GENERAL AGENCY
1134 Fairfax St.
Denver, Colorado

MATTHES ASSOCIATES, INC.
13878 Cedar Road
Cleveland 18, Ohio

MAYNARD V. MILLS CO.
1213 "N" Street
Lincoln, Nebraska

REITAN-LERDAHL & CO.
448 N. Washington Ave.
Madison, Wis.

D. C. ROYER AGENCY
808 Ninth Street
Greeley, Colo.

*Just contact your nearby
Mutual General Agency
listed on this page*

Mutual
GENERAL AGENTS
Association